TWENTIETH ANNUAL REPORT (1985)
OF THE PRESIDENT TO THE CONGRESS
ON THE OPERATION OF
THE AUTOMOTIVE PRODUCTS TRADE ACT
OF 1965

S362-19

SUMMARY

Motor vehicle production in the United States and Canada increased slightly during 1985. North American motor vehicle sales continued to recover in 1985 after a period of decline during 1979-1982. Import penetration also continued to increase in both markets.

In the United States, expenditures for new plant and equipment by the "big four" car manufacturers increased to $10.3 billion from $6.3 billion in 1984. Expenditures in Canada rose to $661 million in 1985 from 1984 [illegible]ures of $308 million. The increases in investment performance in both countries reflected large-scale retooling and renovation of plants.

Prices of vehicles in the United States and Canada remained relatively stable between 1984 and 1985. The consumer price index for new passenger cars in the U.S. edged up 3.2 percent from the 1984 level, and in Canada increased 4.7 percent. Factory list prices of selected 1986 models (models introduced in 1985) remained significantly lower in Canada than the same models in the United States.

Employment in the U.S. automotive industry essentially stabilized and increased 4.5 percent in Canada.

[illegible] automotive products trade between the United States and Canada climbed

11.2 percent above the 1984 total to $46.2 billion in 1985. U.S. automotive exports to Canada increased by 16.2 percent. Corresponding imports from Canada rose by 7.3 percent. This increase reflected the expanded volume of both Canadian and U.S. car and parts shipments between the two countries. The result was that the U.S. automotive products trade deficit with Canada improved by 28.5 percent, from $4.6 billion in 1984 to $3.3 billion in 1985.

1985 was the fourth consecutive year that the United States recorded an automotive sector trade deficit with Canada and was the first four-year deficit since the Automotive Products Trade Agreement of 1965 (Auto Pact) was signed. The net change from a surplus in 1981 to a deficit in 1985 represents a shift of about $4.7 billion in trade between the United States and Canada. This shift resulted from strong U.S. consumer demand for the models which are produced in Canada. As a result, Canadian exports increased as manufacturers drew heavily on their Canadian operations to meet demand in the United States.

The value of automotive imports into the United States and Canada from other countries (excluding each other) increased substantially. Increased market penetration by foreign automobile manufacturers accounts for most of these increases. Exports from the United States and Canada (excluding to each other), however, increased less. Consequently, the automotive trade deficits in both countries increased.

In 1985, Canadian tariff preferences on motor vehicle parts from developing countries changed from duty-free treatment to two-thirds of the MFN rate. The year also saw the advancement of a proposal for discussions of a U.S.-Canadian Free Trade Agreement.

DEVELOPMENTS IN 1985

The North American automotive industry continued its recovery in 1985 as the shift in consumer demand towards larger cars intensified and the availability of redesigned and fuel-efficient domestic cars increased. Furthermore, the aggregate North American economy was generally in a period of recovery.

Production in the North American Automotive Industry

Combined motor vehicle production totaled 13.58 million vehicles in 1985, an increase of 6.5 percent over 1984 production (see Tables 1 and 2). Market shares remained virtually unchanged from 1984, with the United States and Canada accounting for 86 and 14 percent, respectively, of motor vehicle production in the North American market.

United States

Motor vehicle production in the United States totaled 11.65 million units in 1985, an increase of 6.6 percent over 1984 (see Table 1). U.S. passenger car production rose 5.3 percent to 8.18 million cars, the third increase since the 1977 peak though still about 11.2 percent below the 9.21 million units produced in 1977. The U.S. share of North American car production totaled 88.3 percent in 1985, slightly above an average of 88.1 percent during the last decade.

Truck production increased 10.0 percent to 3.46 million units, remaining 6.8 percent below its peak level of 3.72 million units in 1978. U.S. truck production in 1985 amounted to 80.2 percent of U.S./Canadian production, down from an average of 81.7 percent for the last ten years.

Canada

Motor vehicle production in Canada rose to 1.9 million units in 1985, 5.4 percent above the 1984 level (see Table 2). Passenger car production increased 5.3 percent to 1.0 million cars, 12.2 percent below the 1973 peak of 1.2 million cars. Production for trucks and buses rose 5.5 percent to 856.6 thousand vehicles.

Retail Sales

Total North American retail sales of motor vehicles reached 17.3 million units in 1985, an increase of 9.4 percent over 1984 (see Table 3). U.S. sales rose 8.5 percent to 15.7 million units while Canadian sales jumped 19.2 percent to 1.5 million units.

Import penetration in the United States rose from 21.1 to 23.0 percent of the motor vehicle market. In Canada, import penetration rose from 22.2 percent in 1984 to 25.5 percent in 1985.

Capital Expenditures

In the United States, capital expenditures for plant and equipment by the "big four" automobile producers reached $10.3 billion, an increase of 64.8 percent over the 1984 level of $6.3 billion. Capital expenditures in the United States increased largely because of renovations of plants for newly-designed models manufactured in the United States. In Canada, capital expenditures rose to $661 million in 1985, increasing 114.3 percent over the 1984 amount of $308 million. The larger increase in Canadian capital expenditures reflects a major plant renovation by one of the companies. Canada's share of U.S.-Canadian investment in plant and equipment rose to 6 percent in 1985 from 4.7 in 1984 (see Table 4).

Prices of Automobiles in North America 1/

Factory list prices for selected 1986 models in Canada (1986 models introduced in 1985) were 11.6 to 21.4 percent lower than the same models in the United States. For the same 1985 models introduced in 1984, prices ranged from 8 to 19.9 percent lower in Canada (see Tables 5, 6 and 7).

1/ Factory list prices, rather than the manufacturers' suggested retail price, have been selected as the basis for automotive price comparisons given the differing tax structures of the United States and Canada. Canada has a federal sales tax on passenger cars (10 percent in 1984 and 1985, which increased to 11 percent on January 1, 1986) that is included in the suggested retail price; the United States' suggested retail price does not include such a tax.

Price differentials reflect the diverse competitive market conditions between the U.S. and Canadian motor vehicle markets.

United States

During 1985, the U.S. producer price index for cars averaged 227.7, a jump of 2.8 percent as compared to an increase of only 1.8 percent in 1984 (see Table 8). The producer price index for motor trucks in the U.S. rose only 1.5 percent, cooling off from a 3.7 percent increase in 1984. There was less than a 0.5 percent increase in the producer price index for parts. The U.S. consumer price index for new passenger cars continued to show a moderation in the rate of price change, increasing 3.2 percent in 1985 and 2.9 percent in 1984.

Canada

The industrial selling price index for passenger cars increased from 1984 by 4.7 percent (see Table 9). The industrial selling price index for trucks rose 5.5 percent in 1985 compared with a modest 3.2 percent in 1984. There was a 5.1 percent increase in the selling price index for motor vehicle parts and accessories compared to a 4.2 percent increase in 1984. Meanwhile, the Canadian consumer price index for passenger cars rose 4.7 percent in 1985 compared to 4.1 percent in 1984.

Employment in the Automotive Industry

Employment in the North American automotive industry averaged 1.1 million employees in 1985 - a 2.5 percent increase over 1984 levels (see Tables 10 and 11).2/ The United States' share of total employment has remained relatively constant for the past five years at a level approaching 90 percent.

United States

Average 1985 employment in the U.S. automotive industry (SIC 371 and 3465) remained virtually unchanged from 1984, rising only 2.2 percent to 981,600 employees (see Table 10).

Employment in the motor vehicle (SIC 3711 and 3713) and parts (SIC 3714) sectors rose 2.1 percent to 832,900 employees, and the stamping sector (SIC 3465) rose 5.2 percent to 105,200 employees.

Canada

Average monthly automotive employment in Canada totaled 124,200 a 4.5 percent increase from 1984 (see Table 11). The employment level in the parts and

2/ Includes all employees in U.S. Standard Industrial Classifications 371 and 3465; and Canadian SIC's 323, 324 and 325.

accessory sector increased slightly to 60,300 workers, with the level of employment in the automotive assembly sector increasing 1.8 percent to 50,400 workers.

Trade in Motor Vehicles and Parts Between The United States and Canada

In 1985, U.S. shipments of automotive products to Canada rose 16.2 percent to $21.4 billion (see Table 12). Assembled vehicles accounted for 38 percent of shipments in 1985, up slightly from 1984. Duty free exports to Canada were $20.5 billion and accounted for 95.4 percent of total automotive product exports in 1985. Dutiable exports in 1985 were $979 million or 4.6 percent of total automotive product exports to Canada (see Table 13).

Canadian shipments of automotive products to the United States increased 7.3 percent to $24.7 billion in 1985 (see Table 14). Assembled vehicles accounted for 64 percent of these U.S. imports in 1985, the same as in 1984. Duty free imports of $23.4 billion accounted for 94.8 percent of total imports in 1985. Dutiable imports in 1985 were $1.3 billion or 5.2 percent of all automotive product shipments from Canada, a slight decrease over the 1984 share.

All duty-free imports from Canada are listed in Table 15 by tariff number.

The U.S. deficit in duty-free automotive products was $3 billion in 1985 compared to $4.2 billion in 1984. The deficit in dutiable products amounted to $389 million in 1984 and $304 million in 1985 (see Tables 13 and 14).

Passenger Cars

Since the 1982 decline of automobile sales in Canada and the change in demand for larger cars in the United States induced by stable gasoline prices, automotive trade between the two nations turned around with the United States going from a surplus to a deficit position. Subsequently, Canadian auto sales began to recover as U.S. consumer demand for larger cars remained strong. Canada mainly produces intermediate and full-size models. Thus, the change in U.S. demand resulted in Canada exporting relatively more of these vehicles to the United States in 1985.

Trucks

In 1985, changes in the truck trade between the two countries continued to adversely affect the U.S. trade balance, even though U.S. exports to Canada increased by 19.6 percent whereas imports from Canada increased by only 3.2 percent. Retail sales of North American-built trucks rose 12.3 percent in the United States in 1985, whereas retail sales of these trucks jumped 25.9 percent in Canada (see Table 3).

In response to the increased demand for trucks in the U.S. and Canada, truck and bus exports from Canada to the United States rose 1.5 percent to 667,998 vehicles while U.S. truck and bus exports to Canada increased 31.5 percent to 197,903 vehicles. The net effect of changes in the truck and bus trade flow accounted for $161 million in Canada's motor vehicle surplus (see Tables 12 and 15).

Parts

Changes in motor vehicle parts trade in 1985 were favorable for the United States, which retained its traditional surplus in parts trade. The 1985 balance of $4.7 billion was $681 million higher than in 1984 (see Table 12). Excluding tires and tubes, U.S. parts exports rose 9.9 percent in 1985 to $13.1 billion, compared to a 6.2 percent increase in Canadian parts exports to $8.4 billion (see Table 12). The U.S. share of total North American parts trade increased from 60 to 61 percent.

Detailed U.S. imports of Canadian-made auto parts are contained in Table 15. Data for Canadian imports of U.S. made automotive parts is available from Statistics Canada. U.S. export data is not used for computing U.S./Canadian bilateral trade.

U.S. Automotive Trade With Countries Other Than Canada[3/]

The value of U.S. automotive imports (excluding Canada) reached $41 billion, a 31.8 percent increase over 1984. These imports comprised 63.4 percent of all automotive product imports, an increase of 5 percentage points since 1984 (see Table 16).

This year, Japan surpassed Canada as the largest supplier of automotive goods to the United States (see Table 18). Japan accounted for 37 percent of total 1985 automotive imports, up slightly from 34 percent in 1984 (including Canada) and 59.3 percent of 1985 imports when Canada is excluded, unchanged from 1984. West Germany, our third largest supplier, accounted for 12.2 percent of total 1985 imports and 19 percent of imports from countries other than Canada.

The separate identification of parts (Canada excluded) used in original equipment market applications and in aftermarket applications is not possible in the statistical data. The proportion of imported parts used in original equipment assembly operations in 1985 was relatively small. However, the increase in the number of foreign producers (including Volkswagen, Honda, Toyota, Nissan, Daimler-Benz and Volvo) assembling their products

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3/ The statistics used in tables concerning this material are based entirely on Bureau of the Census data. Therefore, data in Tables 16, 17 and 18 are not comparable with data in Tables 12, 13 and 14.

domestically, and the increased use of foreign-produced engines and transaxles contributed to the growing volume of parts imported for original equipment assembly.

Responding to general improvements in world economic conditions, exports of U.S. automotive products to countries other than Canada rose to $4.9 billion in 1985, an increase of 7 percent from 1984. Car and truck exports dropped 3.6 percent and 23 percent, respectively. Parts exports, which were $4 billion in 1984, grew 10.2 percent to $4.4 billion in 1985 (see Table 16).

Mexico remained the second largest market for U.S. exports of automotive products, increasing 36.7 percent from $1.4 billion in 1984 to $1.9 billion in 1985. Venezuela surpassed Saudi Arabia to become the third largest export market in 1985, receiving shipments valued at $325 million. Shipments to Saudi Arabia decreased from $409 million in 1984 to $311 million in 1985 (see table 17).

Automotive products accounted for 10.3 percent of total exports of all commodities in 1985, an increase from the 9.1 percent share in 1984. Imports of automotive products in 1985 were 18.9 percent of total commodity imports, up from 16.5 percent in 1984 (see Tables 17, 18 and 19).

Canadian Automotive Trade With Countries Other Than the United States

Canadian exports of automotive products to countries other than the United

States had a value of $424 million (U.S. dollars) in 1985, a 14.7 percent decrease from 1984, though amounting to only 1.8 percent of total Canadian automotive exports (see Table 20). Excluding the United States, exports of vehicles in 1985 declined 31 percent from the previous year to $207 million (see Table 20).

Australia increased its purchases of automotive products from Canada by 73 percent, becoming Canada's single largest overseas market in 1985. Australia accounts for 12.3 percent of Canada's total automotive product exports (excluding the United States), followed closely by the West Indies at 10.8 percent (see Table 20).

Canadian imports from countries other than the United States were $3.3 billion, a 22 percent increase from 1984 (see Table 22). (Imports from the United States accounted for 86 percent of total Canadian automotive imports.) Imports of parts and accessories reached $948 million, a 2.5 percent increase over 1984. Imports of motor vehicles increased 32 percent in 1985 to $2.4 billion, with imports of passenger cars rising by 43 percent and truck and bus imports falling 8.5 percent.

Excluding the United States, Japan is by far the largest foreign supplier of automotive products to Canada. In 1985 the Japanese supplied 51 percent of Canada's automotive imports (excluding the U.S.), a decrease from 56 percent in 1984 (see Table 21). Imports of Japanese motor vehicles grew 11 percent

in 1985, accounting for 60.3 percent of Canadian car and truck imports, down from 72 percent in 1984 (from countries other than the U.S.). Parts exported by Japan and Sweden, the two largest exporters to Canada, increased 13 percent and decreased 6.4 percent, respectively. This rise in Japanese parts exports reflects the sales increase of Japanese products in the Canadian market.

Government Actions

In March, 1985, President Reagan and Prime Minister Mulroney agreed to explore the possibility of negotiating a U.S.-Canadian Free Trade Agreement. The effect of such an agreement on the North American automotive industry and the operation of the Auto Pact is unclear at this time. Assessment of the implications for the automotive industry will depend on the scope of such an agreement.

In response to a Canadian Government and private sector review of Canada's automotive policies, Canada shifted the manufacturer's sales tax on motor vehicles to the wholesale level and changed tariff preferences on imports of motor vehicle parts from developing countries to two-thirds of the MFN rate instead of the current duty-free treatment. As of January, 1987, motor vehicles from developing countries will also be subject to two-thirds of the MFN rate. A study commissioned by the Canadian Government on the automotive industry, human resources and opportunities for expanded automotive parts

production in Canada is expected to be submitted in early 1986.

In 1981, the Japanese Government placed unilateral restraints on automobile exports to the United States and Canada. From April 1, 1981 to March 31, 1984, Japan held its annual exports (including passenger cars, stations wagons, passenger vans and certain utility vehicles) to the United States at 1,762,500 units and to Puerto Rico at 70,000 units. In November 1983, the Japanese Government announced it would limit automobile exports to the United States and Puerto Rico for a fourth year (April 1, 1984 to March 31, 1985). The level was reset at 1,940,850 and 77,080 units, respectively. In 1985, despite United States Government discouragement of continued restrictions, the Japanese Government increased the voluntary export restraint on automobile exports to 2,300,000 units to be reviewed on an annual basis.

Japan and Canada have had several voluntary restraint agreements between 1981 and 1985. From April 1981 to March 1982, Japan limited its annual automobile exports to Canada to 174,000 units. Japan held its automobile exports to Canada at 153,000 units in January 1982 through December 1982. During the period January 1983 through June 1983, exports were limited to 79,000 units, and from April 1983 through March 1984, export limits were 153,000 units. Between April 1984 and March 1985, Japanese automobile exports to Canada were limited to 170,400 units. (Some overlap in the different restraint time periods did exist.) In March 1985, Japanese

vehicles were limited to 18 percent of the Canadian automobile market. The Canadian Government appeared to be willing to increase that percentage if the Japanese motor vehicle manufacturers increased their investment commitments in Canada.

STATISTICAL TABLES

TABLE		PAGE
1	U.S. Motor Vehicle Production, Calendar Years 1965 and 1970-85	22
2	Canadian Motor Vehicle Production, Calendar Years 1965 and 1970-85	23
3	Retail Sales of Motor Vehicles, 1965 and 1970-85 United States and Canada	24
4	U.S.-Canadian Capital Expenditures, 1977-85	25
5	Price of Typical Model, Subcompact 3-Door Hatchback with Comparable Standard Equipment in the United States and Canada, Model Years 1983-1986	26
6	Price of Typical Popular Model, 4-Door Sedan, with Comparable Standard Equipment in the United States and Canada, Model Years 1983-1986	27
7	Price of Typical Popular Model: 2-Door Sedan, with Comparable Standard Equipment in the United States and Canada, Model Years 1983-1986	28
8	Price Indexes for Automotive Equipment in the United States, Annual Average 1965 and 1970-85	29
9	Price Indexes for Automotive Equipment in Canada, Annual Average 1965 and 1970-85	30
10	Total Employment in the U.S. Automotive Products Industry, Based on U.S. 1972 Standard Industrial Classification (SIC), Annual Average 1972-85	31
11	Average Monthly Employment in the Canadian Automotive Products Industry, Based on Canadian 1960 Standard Industrial Classification (SIC), Annual Average 1972-85	32
12	U.S.-Canadian Trade in Automotive Products, 1964 and 1979-85; U.S. Exports to Canada/U.S. Imports from Canada	33
13	United States Automotive Exports to Canada, Calendar Years 1983-85	34
14	United States Automotive Imports from Canada, Calendar Years 1983-85	35

CONTENTS

I. SUMMARY 1

II. DEVELOPMENTS IN 1985 4

Production in the North American Automotive Industry 4

Retail Sales 5

Capital Expenditures 6

Prices of Automobiles in North America 6

Employment in the Automotive Industry 8

Trade in Motor Vehicles and Parts Between the United States and Canada 9

United States Automotive Trade With Countries Other than Canada 12

Canadian Automotive Trade With Countries Other than the United States 13

Government Actions 15

III. STATISTICAL TABLES 18

Statistical Note 20

APPENDICES

Appendix A - Auto Pact Implementation..... 53

I. Background..... 53

II. U.S. Implementation..... 55

A. Coverage and GATT Treatment..... 55

B. "Bona Fide" Motor Vehicle Manufacturers..... 56

III. Canadian Implementation..... 58

A. Orders in Council..... 58

B. Safeguards..... 59

C. Non-Auto Pact Imports..... 59

CONTENTS

Appendix B - Text of Agreement 60

Appendix C - Automotive Products Trade Act of 1965 63

Appendix D - Presidential Proclamation Implementing the Agreement 72

Appendix E - List of United States Bona Fide Motor Vehicle Manufacturers 73

Appendix F - List of Canadian Bona Fide Motor Vehicle Manufacturers 83

TABLE PAGE

15 Value of Canadian Motor Vehicle and Original Motor Vehicle Equipment (Canadian Articles) Imported Duty-Free from Canada into the United States under the Automotive Products Trade Act of 1965 (APTA), by TSUSA Number, 1982-85 36

16 U.S. Automotive Trade, Total with all Countries, with Canada, and with all Countries except Canada, 1983-85 46

17 U.S. Automotive Exports, Calendar Years 1983-85 47

18 U.S. Automotive Imports, Calendar Years 1983-85 48

19 Total U.S. Trade (All Commodities) with the World and with Canada, Calendar Year 1965 and 1982-85 49

20 Canadian Automotive Exports, Calendar Years 1983-85 50

21 Canadian Automotive Imports, Calendar Years 1983-85 51

22 Canadian Automotive Trade, Total with all Countries, with the United States, and with all other Countries except the United States 1983-85 52

Statistical Note

A series of consultations in 1970 between government statistical experts from both the United States and Canada led to an agreement to cooperate in the preparation of a complete accounting of automotive products trade.

The export statistics of neither country are sufficiently detailed to reflect accurately all trade covered by the Agreement. This situation mainly results from trade in components that are not exclusively automotive-related (e.g., pipe fittings, engine parts, fabric for seat covers, etc.). A joint U.S.-Canadian committee studying overall bilateral trade statistics found that a substantial amount of automotive product exports is never reported. 3/

Accordingly, the two nations agreed that each would use its own statistics (in which all products eligible for duty-free treatment are broken down separately) to report imports and the other country's import statistics to report exports. Tables 12, 13, and 14 were prepared using this method which is accepted by the United States and Canada as the most accurate way to measure trade under the Agreement.

3/ The study titled The Reconciliation of U.S.-Canada Trade Statistics 1970, a Report by the U.S.-Canada Trade Statistics Committee, was published jointly by the U.S. Department of Commerce, Bureau of the Census, and Statistics Canada.

The U.S. import trade data for 1978 through 1981 reflects "free alongside ship" (f.a.s.) import values -- the actual transaction values of imports at the port of exportation -- as published by the Bureau of the Census. Starting in 1982, Census discontinued its use of f.a.s. data for compilation of import statistics. Import data for the years 1983-1985 in Tables 12, 14, 16 and 18 are now "customs value basis" statistics -- the U.S. Custom Service's appraised value.of imports pursuant to Section 402 and 402a of the Tariff Act of 1930, as amended.

TABLE 1
U.S. MOTOR VEHICLE PRODUCTION
CALENDAR YEARS 1965 and 1970-1985

(Thousands of Units)

Year	Passenger Cars	Trucks and Buses	Total
1965	9,335.2	1,802.6	11,137.8
1970	6,550.1	1,733.8	8,283.9
1971	8,583.7	2,088.0	10,671.7
1972	8,828.2	2,482.5	11,310.7
1973	9,667.1	3,014.4	12,681.5
1974	7,324.5	2,746.5	10,071.0
1975	6,716.9	2,269.6	8,986.5
1976	8,497.9	2,999.7	11,497.6
1977	9,213.7	3,489.1	12,702.8
1978	9,176.6	3,722.6	12,899.2
1979	8,433.7	3,046.3	11,480.0
1980	6,375.5	1,634.3	8,009.8
1981	6,253.1	1,689.8	7,942.9
1982	5,073.5	1,912.1	6,985.6
1983	6,781.2	2,443.6	9,224.8
1984	7,773.3	3,151.5	10,924.8
1985	8,184.8	3,467.9	11,652.7

Source: Motor Vehicle Manufacturers' Association, MVMA Motor Vehicle Facts and Figures '86

TABLE 2.--CANADIAN MOTOR VEHICLE PRODUCTION
CALENDAR YEARS 1965 and 1970-1985

(Thousands of Units)

Year	Passenger Cars	Trucks and Buses	Total
1965	706.8	139.8	846.6
1970	940.4	253.2	1,193.6
1971	1,095.9	276.7	1,372.6
1972	1,154.5	319.9	1,474.4
1973	1,227.4	347.4	1,574.8
1974	1,187.9	376.0	1,563.9
1975	1,058.4	390.9	1,449.4
1976	1,146.3	500.6	1,646.8
1977	1,167.3	602.6	1,769.9
1978	1,162.4	656.1	1,818.5
1979	996.7	634.9	1,631.6
1980	846.8	527.5	1,374.3
1981	783.7	496.8	1,280.5
1982	787.8	447.8	1,335.6
1983	945.5	546.8	1,492.3
1984	1,023.4	811.7	1,835.1
1985	1,077.9	856.2	1,934.1

Source: Statistics Canada

TABLE 3.--RETAIL SALES OF MOTOR VEHICLES, 1965 and 1970-1985
(Thousands of Units)

SALES IN THE UNITED STATES

	AUTOMOBILES			TRUCKS			
Year	North American Type	Overseas Import Type	TOTAL	North American Type	Overseas Import Type	TOTAL	TOTAL VEHICLE
1965	8,763	569	9,332	1,539	14	1,553	10,885
1970	7,119	1,281	8,400	1,746	65	1,811	10,211
1971	8,681	1,561	10,242	2,011	85	2,096	12,338
1972	9,327	1,613	10,940	2,486	143	2,629	13,569
1973	9,676	1,748	11,424	2,916	232	3,148	14,572
1974	7,454	1,399	8,853	2,512	176	2,688	11,541
1975	7,053	1,571	8,624	2,249	229	2,478	11,102
1976	8,611	1,499	10,110	2,944	237	3,181	13,291
1977	9,109	2,074	11,183	3,252	323	3,675	14,858
1978	9,312	2,002	11,314	3,773	336	4,109	15,423
1979	8,341	2,332	10,673	3,010	470	3,480	14,153
1980	6,581	2,398	8,979	2,001	487	2,487	11,466
1981	6,209	2,327	8,536	1,809	451	2,260	10,797
1982	5,759	2,223	7,982	2,146	414	2,560	10,542
1983	6,795	2,387	9,182	2,658	471	3,129	12,310
1984	7,952	2,439	10,391	3,475	618	4,093	14,484
1985	8,205	2,838	11,042	3,903	780	4,682	15,720

Source: Motor Vehicle Manufacturers' Association and Ward's Reports

SALES IN CANADA

	AUTOMOBILES			TRUCKS			
Year	North American Type	Overseas Import Type	TOTAL	North American Type	Overseas Import Type	TOTAL	TOTAL VEHICLE
1965	634	75	709	120	2	122	831
1970	497	143	640	125	9	134	774
1971	592	188	780	147	13	160	940
1972	654	205	859	190	17	207	1,066
1973	783	188	971	235	20	256	1,227
1974	797	146	943	288	19	307	1,249
1975	836	154	989	310	17	327	1,317
1976	793	153	946	331	14	345	1,291
1977	798	194	991	338	16	354	1,345
1978	816	173	989	364	13	378	1,367
1979	864	139	1,003	381	12	393	1,396
1980	747	191	932	310	21	332	1,264
1981	647	257	904	251	36	287	1,191
1982	489	224	713	167	40	207	921
1983	625	218	843	193	45	238	1,081
1984	725	246	971	274	39	312	1,284
1985	795	342	1,137	345	48	393	1,530

Source: Statistics Canada

Note: Figures may not add to totals due to rounding

Table 4

Big 4 Expenditures on Plant & Equipment in the United States & Canada

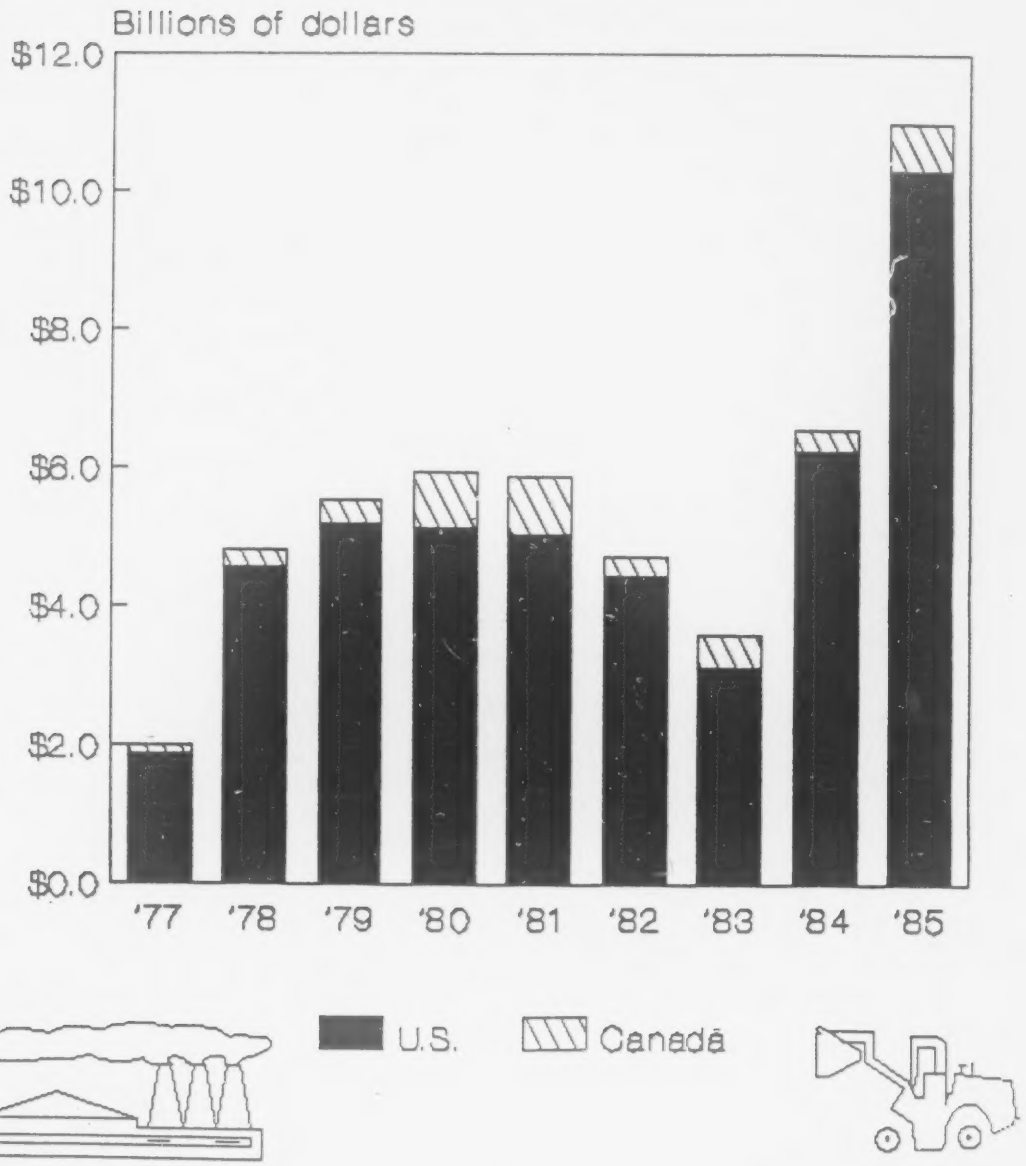

TABLE 5. -- PRICE OF TYPICAL SUBCOMPACT 3-DOOR HATCHBACK WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1983-1986

	Price in United States Dollars	Price in Canada		Canadian Price Differential Over (Under) U.S. Price	
		Canadian Dollars	United States Dollars 4/	Amount U.S. Dollars	Percent
1983 Model Introduction					
Factory List Price 1/	6,067	6,852	5,570	(497)	(8.2)
Sales/Excise Tax 2/	7	617	502	495	
Manufacturer's Suggested Retail Price 3/	6,074	7,469	6,072	(2)	--
1984 Model Introduction					
Factory List Price 1/	6,337	7,126	5,784	(553)	(8.7)
Sales/Excise Tax 2/	7	641	520	513	
Manufacturer's Suggested Retail Price 3/	6,344	7,767	6,304	(40)	(0.6)
1985 Model Introduction					
Factory List Price 1/	6,260	7,576	5,757	(503)	(8.0)
Sales/Excise Tax 2/	---				
Manufacturer's Suggested Retail Price 3/	6,260	7,576	5,757	(503)	(8.0)
1986 Model Introduction					
Factory List Price	6,582	7,970	5,818	(764)	(11.6)
Sales/Excise Tax	---				
Manufacturer's Suggested Retail Price	6,582	7,970	5,818	(764)	(11.6)

1/ Prices are quoted for identical cars with comparable standard equipment at the time they were introduced as 1985 models.

2/ Canadian sales tax; U.S. excise tax on passenger cars and light trucks repealed as of August 15, 1971, except for tires. Effective January 1, 1984 U.S. excise tax on tires under 40 pounds was repealed.

3/ Manufacturer's suggested retail price includes factory list price, federal sales tax or excise tax including that on tires and tube, and dealer delivery and handling, but excludes destination charges, state and local taxes, license and title fees.

4/ Canadian dollars converted to U.S. dollars at following exchange rates: $1.00 Canadian = $0.81294 U.S., model year 1983; $0.81169 U.S., model year 1984; $0.76 U.S., model year 1985; $0.72 U.S., model year 1986.

TABLE 6. -- PRICE OF TYPICAL 4-DOOR SEDAN, WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1983-1986

	Price in United States Dollars	Price in Canada		Canadian Price Differential Over (Under) U.S. Price	
		Canadian Dollars	United States Dollars 4/	Amount U.S. Dollars	Percent
1983 Model Introduction					
Factory List Price 1/	7,408	7,699	6,259	(1,149)	(15.5)
Sales/Excise Tax 2/	9	691	562	553	
Manufacturer's Suggested Retail Price 3/	7,417	8,390	6,821	(569)	(8.0)
1984 Model Introduction					
Factory List Price 1/	7,581	8,067	6,548	(1,033)	(15.8)
Sales/Excise Tax 2/	8	617	501	493	
Manufacturer's Suggested Retail Price 3/	7,589	8,684	7,049	(540)	(7.7)
1985 Model Introduction					
Factory List Price 1/	7,792	8,217	6,245	(1,547)	(19.9)
Sales/Excise Tax 2/	---	698	530	530	
Manufacturer's Suggested Retail Price 3/	7,792	8,915	6,775	(1,017)	(13.0)
1986 Model Introduction					
Factory List Price 1/	8,207	8,692	6,452	(1,755)	(21.4)
Sales/Excise Tax 2/	---	762	549	(549)	
Manufacturer's Suggested Retail Price 3/	8,207	9,454	7,001	(1,206)	(14.7)

1/ Prices are quoted for identical cars with comparable standard equipment at the time they were introduced as 1985 models.

2/ Canadian sales tax; U.S. excise tax on passenger cars and light trucks repealed as of August 15, 1971, except for tires. Effective January 1, 1984 U.S. excise tax on tires under 40 pounds was repealed.

3/ Manufacturer's suggested retail price includes factory list price, federal sales tax or excise tax including that on tires and tube, and dealer delivery and handling, but excludes destination charges, state and local taxes, license and title fees.

4/ Canadian dollars converted to U.S. dollars at following exchange rates: $1.00 Canadian = 0.81294 U.S., model year 1983; 0.81169, model year 1984; $0.76 U.S., model year 1985; $0.72 U.S., model year 1986.

TABLE 7. -- PRICE OF TYPICAL 2-DOOR SEDAN, WITH COMPARABLE STANDARD EQUIPMENT IN THE UNITED STATES AND CANADA, MODEL YEARS, 1983-1986

	Price in United States Dollars	Price in Canada		Canadian Price Differential Over (Under) U.S. Price	
		Canadian Dollars	United States Dollars 4/	Amount U.S. Dollars	Percent
1983 Model Introduction					
Factory List Price 1/	8,051	8,955	7,280	(771)	(9.6)
Sales/Excise Tax 2/	8	695	785	777	
Manufacturer's Suggested Retail Price 3/	8,059	9,650	7,845	(214)	(2.7)
1984 Model Introduction					
Factory List Price 1/	7,702	8,739	7,093	(609)	(8.6)
Sales/Excise Tax 2/	9	678	550	541	
Manufacturer's Suggested Retail Price 3/	7,711	9,417	7,643	(68)	(0.9)
1985 Model Introduction					
Factory List Price 1/	8,102	9,213	7,001	(1,101)	(13.6)
Sales/Excise Tax 2/	---	768	584	584	
Manufacturer's Suggested Retail Price 3/	8,102	9,981	7,585	(516)	(6.4)
1986 Model Introduction					
Factory List Price 1/	8,735	9,957	7,169	(1,566)	(17.9)
Sales/Excise Tax 2/	---	997	718	(718)	
Manufacturer's Suggested Retail Price 3/	8,735	10,954	7,887	(848)	(9.7)

1/ Prices are quoted for identical cars with comparable standard equipment at the time they were introduced as 1985 models.

2/ Canadian sales tax; U.S. excise tax on passenger cars and light trucks repealed as of August 15, 1971, except for tires. Effective January 1, 1984 U.S. excise tax on tires under 40 pounds was repealed.

3/ Manufacturer's suggested retail price includes factory list price, federal sales tax or excise tax including that on tires and tube, and dealer delivery and handling, but excludes destination charges, state and local taxes, license and title fees.

4/ Canadian dollars converted to U.S. dollars at following exchange rates: $1.00 Canadian = $0.81294 U.S., model year 1983; $0.81169, model year 1984; $0.76 U.S., model year 1985; $0.72 U.S., model year 1986.

Table 8. -- Price Indexes for Automotive Equipment
in the United States
Annual Average 1965 and 1970-1985
(1967=100)

Year	Producer price index			Consumer price index
	Passenger Cars	Motor Trucks	Motor Vehicle Parts 1/	New passenger cars
1965	100.1	97.5	--	100.9
1970	106.6	110.9	112.9	107.6
1971	112.2	118.5	120.2	112.0
1972	114.9	121.1	126.0	111.0
1973	115.4	123.0	129.0	111.1
1974	123.1	136.9	143.8	117.5
1975	134.2	152.4	172.8	127.6
1976	142.2	164.6	182.7	135.7
1977	150.6	177.5	195.6	142.9
1978	161.6	193.4	208.6	153.8
1979	174.4	210.8	225.8	166.0
1980	189.3	232.4	252.4	179.3
1981	204.8	263.8	319.9	190.2
1982	212.9	99.3 2/	346.2	197.6
1983	217.5	102.4	352.1	202.6
1984	221.4	106.2	353.3	208.5
1985	227.7	107.8	355.0	215.2

1/ The index for "motor vehicle parts" was first computed in 1967. Comparable data for earlier years are not available.
2/ The truck base changed June 1982. 1982=100

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table 9. -- Price Indexes for Automotive Equipment
in Canada
Annual average 1965 and 1970-1985
(1967=100)

Year	Industrial Selling Price Index 1/					Consumer Price Index
	Passenger Cars 2/			Motor Trucks	Motor Vehicle Parts and Accessories	New Passenger Cars
	Total 3/	Hardtop	4-door sedan			
1965		100.4	101.0	99.6	98.1	100.3
1970		101.6	104.2	107.9	105.8	104.2
1971	100.0	103.6	105.8	113.6	107.3	107.9
1972	101.7	105.5	107.8	116.3	109.9	110.1
1973	100.7			117.9	113.5	110.5
1974	106.8			129.9	123.3	118.3
1975	114.2			143.0	140.7	126.0
1976	117.4			153.5	153.6	133.1
1977	126.4			167.8	169.1	142.1
1978	136.6			185.6	187.7	154.7
1979	153.1			209.3	202.8	173.4
1980	172.2			232.6	224.0	193.8
1981	192.4			265.1	245.7	218.0
1982	199.4			281.8	270.8	226.2
1983	206.0			296.8	276.7	235.0
1984	212.9			306.4	288.2	244.7
1985	222.9			323.4	302.9	256.2

1/ The industrial selling price indexes were revised in 1969 and in 1976. The classifications shown here are the new series. 1965 is not entirely comparable with later data.

2/ The average index for passenger cars was introduced in January 1971; the indexes for individual passenger car models were discontinued in October 1973.

3/ 1971=100

Source: Statistics Canada.
Prepared by: U.S. Department of Labor, Bureau of Labor Statistics.

Table 10.--Total Employment in the U.S. Automotive Products Industry, Based on U.S. 1972 Standard Industrial Classification (SIC), Annual Average 1972-1985

(Thousands of Employees)

Year	Total Motor Vehicles and Equipment (SIC 371)	Motor Vehicles and Passenger Car Bodies (SIC 3711)	Truck and Bus Bodies (SIC 3713)	Parts and Accessories (SIC 3714)	Automotive Stampings (SIC 3465)
1972	874.8	415.2	46.1	383.0	104.5
1973	976.5	461.6	51.3	429.9	110.9
1974	907.7	416.2	54.8	402.7	95.5
1975	792.4	375.3	45.5	352.0	82.1
1976	881.0	415.9	43.7	399.0	99.5
1977	947.3	443.0	45.8	426.5	110.7
1978	1,004.9	469.8	45.3	451.9	118.3
1979	990.4	463.0	46.1	441.1	117.6
1980	788.8	368.1	39.7	349.5	95.3
1981	788.7	358.7	37.0	363.3	93.7
1982	699.3	317.5	31.5	323.3	81.4
1983	753.7	349.1	32.0	339.5	86.8
1984	860.1	390.9	36.2	388.3	100.0
1985	876.4	404.5	36.8	391.6	105.2

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table 11.--Average Monthly Employment in the Canadian
Automotive Products Industry
Based on Canadian 1960 & 1970 Standard Industrial Classification (SIC)
1972-1985

(Thousands of Employees)

Year	Total Motor Vehicles and Equipment (SIC 323-5)	Assembling (SIC 323)	Truck Body & Trailers (SIC 324)	Parts and Accessories (SIC 325)
1972 1/	97.5	41.9	14.2	41.4
1973	108.8	45.2	14.8	48.8
1974	108.2	47.1	15.2	45.9
1975	99.0	43.4	14.4	41.2
1976	106.8	46.4	14.0	46.2
1977	111.8	50.8	12.6	48.5
1978	116.4	52.6	13.6	51.2
1979	115.7	52.9	14.8	49.0
1980	96.7	44.5	12.9	39.6
1981	97.1	43.7	12.1	42.6
1982	89.8	43.0	8.6	39.4
1983 2/	111.1	44.4	11.5	55.2
1984	118.9	49.5	12.5	56.9
1985	124.2	50.4	13.5	60.3

1/ Old Survey Data: 1960 industrial classification and establishments with 20 or more employees.

2/ New Survey Data: 1970 industrial classification and establishments of all sizes and new sample survey.

Source: Statistics Canada.
Prepared by: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 12
U.S.-CANADIAN TRADE IN AUTOMOTIVE PRODUCTS, 1964 and 1979-1985
U.S. EXPORTS TO CANADA/U.S. IMPORTS FROM CANADA

(Millions of U.S. Dollars)

	1964	1979	1980	1981	1982	1983	1984	1985
U.S. EXPORTS [1]								
Cars	34	3,147	2,906	3,095	2,323	3,919	4,698	6,272
Trucks	23	1,654	1,044	1,122	705	905	1,574	1,882
Parts	577	7,344	6,478	7,701	7,823	9,105	11,924	13,100
Subtotal	634	12,145	10,428	11,918	10,851	13,929	18,196	21,254
Tires and Tubes	6	128	124	137	119	181	266	193
TOTAL EXPORTS [2]	640	12,273	10,552	12,055	10,970	14,110	18,462	21,447
U.S. IMPORTS [3]								
Cars	18	3,707	3,802	4,295	5,805	7,278	10,110	11,174
Trucks	4	1,978	1,893	2,622	3,196	3,599	4,543	4,690
Parts	49	3,831	2,888	3,462	3,963	5,724	7,934	8,429
Subtotal	71	9,516	8,583	10,379	12,964	16,601	22,587	24,293
Tires and Tubes	5	199	196	239	328	340	461	434
TOTAL IMPORTS	76	9,715	8,779	10,618	13,292	16,941	23,048	24,727
NET BALANCE	+563	+2,558	+1,773	+1,437	-2,322	-2,831	-4,586	-3,280

[1] Source: Statistics Canada (Canadian import data). Parts exports (Canadian imports) include tooling charges in millions of U.S. dollars as follows: 1982=$409, 1983=$464, 1984=$533, 1985=$332.

Data exclude U.S.-Canadian trade in materials for use in the manufacture of automotive parts.

Canadian dollars converted to U.S. dollars at following exchange rates:

1979:	= $0.85471	1983:	= $0.80199
1980:	= $0.83560	1984:	= $0.77202
1981:	= $0.84382	1985:	= $0.73217
1982:	= $0.80743		

[2] Totals may not add due to rounding.

[3] Source: U.S. Department of Commerce, Bureau of the Census.

TABLE 13
UNITED STATES AUTOMOTIVE EXPORTS TO CANADA
CALENDAR YEARS 1983-1985

(Millions of U.S. Dollars)

	1983.[2/]	1984	1985
Automotive Exports: [1/]			
Duty Free:			
Passenger cars	3,828.5	4,633.1	6,157.3
Trucks, buses, and chassis	857.9	1,485.5	1,784.0
Parts and accessories	8,672.6	11,378.3	12,521.1
Tires and tubes	4.3	4.7	5.5
Total, Duty-free	13,363.3	17,501.6	20,467.9
Dutiable:			
Passenger cars	90.5	64.8	114.4
Trucks, buses, and chassis	47.6	88.5	97.5
Parts and accessories	407.6	546.0	579.0
Tires and tubes	176.4	261.6	187.9
Total, Dutiable	722.0	961.0	978.8
Total Duty-free and Dutiable:			
Passenger cars	3,918.9	4,697.9	6,271.7
Trucks, buses, and chassis	905.5	1,574.0	1,881.5
Parts and accessories	9,080.2	11,924.3	13,100.1
Tires and tubes	180.7	266.4	193.4
Total, Automotive Exports	14,085.3	18,462.6	21,446.7

[1/] Canadian import data converted to U.S. dollars:
C $1.00 = U.S. $0.80199, December 1983
C $1.00 = U.S. $0.77202, December 1984
C $1.00 = U.S. $0.73217, December 1985
(Totals may not add due to rounding.)

[2/] Data includes tooling charges of:
1983: $464 (millions of U.S. dollars)
1984: $533
1985: $332

Source: Statistics Canada

TABLE 14
UNITED STATES AUTOMOTIVE IMPORTS FROM CANADA
CALENDAR YEARS 1983-1985

(Millions of U.S. Dollars)

	1983	1984	1985
Automotive Imports: 1/			
Duty Free:			
Passenger cars	7,255.3	10,087.1	11,127.3
Trucks, buses, and chassis	3,575.6	4,511.8	4,658.9
Parts and accessories	5,181.4	7,098.2	7,657.4
Total, Duty-free	16,012.3	21,697.1	23,443.6
Dutiable:			
Passenger cars	22.6	22.5	46.8
Trucks, buses, and chassis	23.4	30.9	30.8
Parts and accessories	542.5	836.3	771.1
Tires and tubes	339.7	460.5	433.9
Total, Dutiable	928.2	1,350.2	1,282.6
Total Duty-Free and Dutiable:			
Passenger cars	7,277.9	10,109.6	11,174.1
Trucks, buses, and chassis	3,599.0	4,542.7	4,689.7
Parts and accessories	5,723.9	7,934.5	8,428.5
Tires and tubes	339.7	460.5	433.9
Total, Automotive Imports	16,940.4	23,047.3	24,726.2

1/ U.S. automotive product imports from Canada duty-free under the United States -Canada Automotive Agreement.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 15.--VALUE OF CANADIAN MOTOR VEHICLES AND ORIGINAL MOTOR VEHICLE EQUIPMENT (CANADIAN ARTICLES) IMPORTED DUTY-FREE FROM CANADA INTO THE UNITED STATES UNDER THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965 (APTA), BY TSUSA NUMBER 1982-1985

(Thousands of U.S. Dollars) 1/

TSUSA Number	Commodity	1982	1983	1984	1985
692.0310	Automotive trucks, exc. truck tractors, gasoline	2,207,758	2,313,656	3,213,541	3,037,486
692.0320	Automobile trucks, exc. truck tractors, diesel	365,305	406,005	428,606	531,981
692.0330	Automobile truck tractors, gasoline	893	984	5,774	5,700
692.0350	Automobile truck tractors exc. gasoline (diesel)	15,525	16,534	44,833	37,698
692.0720	Motor buses, gasoline	144,503	186,830	223,387	268,602
692.0740	Motor buses, exc. gasoline	92,562	82,957	83,680	68,754
692.1110	Four-wheel passenger cars, new, not over 4 cylinders	891,336	1,296,799	3,047,003	3,272,243
692.1115	Four-wheel passenger cars, new, not over 6 cylinders	1,278,350	2,457,865	2,350,889	3,786,537
692.1130	Four-wheel passenger cars, new, over 6 cylinders	3,395,999	3,486,245	4,674,408	4,054,986
692.1135	Four-wheel passenger cars, new, n.s.p.f.	627	459	731	3,428
692.1140	On-the-highway, four-wheeled automobiles, used	16,744	13,974	14,108	10,104

1/ F.A.S Values, 1981; Customs Value Basis, 1982 - 1985.

TABLE 15.--CONTINUED

TSUSA Number	Commodity	1982	1983	1984	1985
692.1160	Vehicles which operate in whole or in part on runners or skis.....	18,583	17,698	37,578	31,329
692.1180	Motor vehicles, n.e.s., exc. motor-cycles.....	8,815	5,908	4,618	4,460
692.2170	Chassis for motor buses.....	310	6,884	11,940	6,268
692.2180	Chasis for automobiles trucks and truck tractors.....	242,762	511,042	389,136	579,481
692.2360	Chassis for passenger automobiles.....	---	16	48	20
692.2380	Chassis for pass. motor vehicles n.s.p.f.	1,637	505	1,017	1,053
692.3120	Auto truck tractors, gas fueled, imported without trailers.....	86	225	621	1,280
692.3140	Auto truck tractors, exc gas, imported without trailers.....	43,798	26,344	71,018	84,792
	Total duty-free passenger cars.....	5,783,056	7,255,341	10,087,139	11,127,373
	Total duty-free truck, bus, sp. veh.....	3,142,537	3,575,589	4,511,799	4,658,906
	Total duty-free motor vehicles.....	8,925,593	10,830,930	14,598,938	15,786,279

TABLE 15.--CONTINUED

TSUSA Number (APTA)	Commodity	1982	1983	1984	1985
207.0100	Articles of wood, n.s.p.f.....	---	1	---	2
220.4900	Cork disks, wafers etc., not tapered...	6	34	3	---
355.2700	Felt, batting, wadding.....	35	926	1,182	2,130
357.9100	Hoses of veg. fiber.....	---	---	---	---
357.9600	Hoses for liquids or gases, manmade.....	---	---	---	---
358.0300	V-belts, textile fibers & rubber.....	61	165	466	1,115
361.9000	Floor coverings and underlays, textile.....	8,781	15,049	25,393	20,215
389.8000	Textile articles n.s.p.f.....	1,487	1,983	1,045	1,320
516.9800	Cut or stamped mica.....	---	---	---	---
517.8200	Brushes for elec. generators, etc.....	161	228	208	150
535.1500	Ceramic magnet & elect. wares n.e.s. Ceramic insulators.....	1	9	---	11
540.7200	Glass fiber filter, not over 25lbs. per cubic foot, n.e.s.....	99	13	91	55
544.1700	Glass, drawn or blown & over 15/32 inch in thickness.....	2	---	---	---
544.2000	Glass processed, n.e.s.....	110	31	250	1,479
544.3200	Toughened glass, shaped or formed.....	42,365	44,235	60,050	56,848
544.4200	Laminated glass.....	14,371	34,706	52,167	64,704
544.5200	Mirrors not over 1 square ft. reflecting area.....	1,019	641	643	1,048

TABLE 15.--CONTINUED

TSUSA Number (AFTA)	Commodity	1982	1983	1984	1985
544.5500	Mirror over 1 square foot reflecting are.....	6	14	16	2
545.6200	Glass lens & filters and parts.....	---	---	---	50
545.6400	Glass reflecting lenses, buttons n.e.s.....	---	1	---	5
547.1600	Clock glass, curved surface, n.e.s.....	---	---	---	---
610.9300	Pipe & tube fittings, n.e.s.....	533	910	378	959
613.1600	Pipe & tube fittings, copper.....	---	---	---	---
613.1900	Pipe & tube fittings, other.....	154	172	190	123
618.4800	Pipe, tubes, blanks, fittings of aluminum.....	---	20	9	53
620.4700	Nickel pipe & tube fittings.....	---	1	8	---
642.2100	Ropes, cables, etc. with fittings.....	2,731	6,540	5,588	3,431
642.8600	Wire cloth copper cut shape.....	---	---	---	---
642.8800	Wire cloth other than copper etc. cut to shape.....	15	1	1	---
646.7910	Bolts, if Canadian article & original motor vehicle equipment.....	9,126	12,975	18,348	20,171
646.7920	Nuts, if Canadian article & original motor vehicle equipment.....	11,312	14,034	16,071	15,919
646.7930	Screws, if Canadian article & original motor vehicle equipment.....	14,688	18,523	20,375	16,542
646.7940	Bolts, nuts, screws, etc. n.s.p.f. Canadian art, for orig. MV equipment....	3,380	4,168	6,178	6,532

TABLE 15.--CONTINUED

TSUSA Number (APTA)	Commodity	1982	1983	1984	1985
646.9300	Locks and padlocks, n.e.s.....	73	183	740	775
647.0200	Hinges, fittings, mountings of iron, steel, aluminum or zinc for motor veh...	48,738	78,098	115,367	163,415
647.0600	Other hinges, fittings & mountings.....	1,145	153	212	114
652.1000	Flex metal hose or tubing.....	13	---	9	1
652.3900	Chains and parts of base metals.....	70	238	72	32
652.7600	Sign plates, name plates, numbers etc. of base metal.....	758	436	427	564
652.8500	Springs & leaves for motor vehicle suspension.....	68,843	92,075	124,464	121,319
652.8700	Hairsprings.....	22	66	19	15
652.8900	Other springs.....	8,378	9,757	13,807	22,172
658.1000	Metal articles n.s.p.f.....	11,607	17,758	26,603	36,528
660.4300	Piston type compression-ignition engines.	9	---	---	199
660.4900	Piston type engines ex-diesel.....	632,364	1,013,837	1,370,25	1,252,380
660.5700	Piston type engines ex-diesel, n.s.p.f..	21	80	5	---
660.6300	Non piston type engines.....	---	1	2	471
660.6800	Parts of piston type engines other than compression ignition engines.....	152,274	193,679	265,428	315,408
660.7200	Parts internal combustion engine n.e.s..	1,362	2,358	6,453	6,708
660.8600	Non electric engines, motores & parts n.s.p.f..... ...	452	454	654	893

TABLE 15.--CONTINUED

TSUSA Number (APTA)	Commodity	1982	1983	1984	1985
660.9300	Fuel injection pumps for compression ignition engines and parts.....	38	6	63	274
660.9800	Pumps for liquids n.e.s and parts.....	27,164	37,405	47,098	44,604
661.0700	Fans, blowers and parts n.e.s.....	13,956	24,376	32,285	35,307
661.1300	Compressors and parts.....	499	1,161	7,261	5,752
661.1600	Air pumps, vacuum pumps and parts.....	---	1	58	21
661.2100	Air conditioning machines and parts.....	2,908	4,776	7,467	4,976
661.3600	Refrig. and refrig. equipment.....	451	782	761	159
661.9300	Other cast iron parts.....	9	21	14	---
661.9600	Other parts for filtering machines n.e.s.	110	213	306	273
662.3600	Piston pump sprays and parts.....	10	17	335	63
662.5100	Other mechanical appliances n.e.s. for dispersing liquids.....	583	585	746	363
664.1100	Material handling equipment n.e.s.....	12,711	19,234	23,172	28,524
678.5100	Tape playing machines n.s.p.f. & parts..	15,964	48,996	80,476	81,287
680.1600	Taps, cocks, valves and parts, copper...	4	2	46	9
680.1800	Valves hand operated iron or steel.....	6,426	7,046	2,441	3,600
680.2400	Valves hand operated metal.....	2,546	2,700	10,502	9,506
680.2800	Taps, cocks, valves and parts, other....	26,160	41,858	67,269	66,956
680.3100	Anti friction balls and rollers.....	305	385	812	1,953

TABLE 15.--CONTINUED

TSUSA Number (AFTA)	Commodity	1982	1983	1984	1985
680.3400	Ball bearings with integral shafts.....	1,922	3,255	2,908	5,3e9
680.3820	Ball bearings.....	8,428	10,553	11,128	10,010
680.3830	Parts of ball bearings.....	6	53	4	42
680.4140	Tapered roller bearings cup and cones, assemblies in sets.....	70	40	25	91
680.4144	Tapered roller bearings cup assemblies..	3,420	5,185	6,752	5,921
680.4148	Tapered roller bearings cone assemblies.	6,300	11,103	11,988	9,856
680.4152	Parts n.s.p.f. of tapered roller bearings	---	99	209	241
680.4170	Roller bearings, n.s.p.f. including combination roller and ball bearings and parts.....	4,477	4,364	4,259	3,309
681.3000	Lubrication fittings.....	20	9	---	84
681.4200	Machinery parts not containing electrical features n.s.p.f.....	160	563	---	3,586
682.6500	Generators, motors, and parts under 220 h.p.....	3,098	4,399	6,658	8,919
682.7100	Permanent magnets.....	---	---	350	---
682.9100	Electro-magnetic couplings, etc.....	45	1	63	69
683.0200	12 volt lead-acid type storage batteries.	4,407	12,472	10,914	8,785
683.1300	Lead-acid type storage batteries, n.s.p.f	4,143	796	506	1,012
683.1100	Lead-acid type storage batteries and parts.....	4,764	---	---	---

TABLE 15.--CONTINUED

TSUSA Number (ATA)	Commodity	1982	1983	1984	1985
683.1600	Other storage batteries and parts.....	898	997	403	487
683.6100	Electrical starting and ignition equip. for internal combustion engines.....	23,364	9,064	8,004	6,049
683.6600	Electrical lightning equip designed for motor vehicles and parts.....	9,330	22,076	25,940	37,918
684.4100	Electric heaters and parts.....	3,112	2,594	2,606	1,820
684.6300	Telephonic apparatus instruments & parts.	19	---	58	1
684.7100	Microphones, loudspeakers etc.....	94	77	49	23
685.5520	Radio receivers.....	12,900	12,007	10,874	3,639
685.5540	Other radio receiving equipment.....	3,726	3,643	5,159	4,408
685.7100	Electric sound and visual signaling apparatus.....	5,878	4,496	8,065	5,970
685.8100	Electrical capacitors fixed or variable.	5,551	8,737	8,720	9,265
685.9100	Electrical switches, relays, etc. & parts	18,384	25,200	38,770	45,874
686.1100	Resistors fixed or variable.....	1,003	1,093	441	24
686.1900	Automatic voltage regulators for 6, 12, and 24 volt systems.....	28	26	146	74
686.6100	Sealed beam lamps.....	916	841	656	90
686.8100	Electric filament lamps under 100 volts n.e.s.....	1,244	1,724	1,458	2,465
687.3600	Color television picture tubes.....	---	---	24	---

TABLE 15.--CONTINUED

TSUSA Number (APTA)	Commodity	1982	1983	1984	1985
692.3310	Body stampings.....	7,381	3,560	8,723	27,438
692.3320	Bumpers.....	41,340	82,684	127,076	158,514
692.3330	Wheels designed to be mounted with pneumatic tires.....	87,548	128,184	184,564	187,502
692.3340	Hubcaps and wheelcovers.....	314	3,383	5,084	4,661
692.3350	Radiators.....	46,901	60,323	66,242	81,109
692.3360	Mufflers & tailpipes.....	31,604	45,043	61,659	53,739
692.3372	Brakes and parts.....	83,842	130,994	180,993	203,697
692.3374	Transmissions for trucks and buses.....	45	39	12	318
692.3376	Transmissions for passenger auto.....	280,155	483,057	684,490	683,773
692.3378	Transmissions for motor vehicles n.s.p.f.	18	63	24	136
692.3380	Shock absorbers for motor vehicles.....	14,754	10,853	12,166	12,981
692.3390	Parts n.s.p.f. of motor vehicles.....	1,231,853	1,842,862	2,449,742	2,824,002
711.7900	Pressure gauges, thermostats, etc.....	2,783	7,236	16,363	16,435
711.9100	Taximeters and parts.....	---	---	16	11
711.9900	Speedometers and parts.....	195	285	6,126	17,039
712.5100	Test record measuring instruments.....	27,523	43,533	49,090	56,731
721.2000	Clocks, clock movements and parts.....	30	49	151	4
727.0700	Furniture for motor vehicles.....	185,369	268,951	379,537	449,417
728.3000	Non textile floor coverings.....	5	- 2	3	---

TABLE 15.--CONTINUED

TSUSA Number (AFTA)	Commodity	1982	1983	1984	1985
745.8000	Buckles, buckle slides, fasteners & parts	1,838	3,436	2,896	3,946
772.6600	Hose, pipe, and tubing n.s.p.f. of rubber or plastic.....	6,265	9,548	9,091	9,181
772.8100	Handles and knobs of rubber or plastic..	2,219	3,299	3,509	2,902
772.8600	Closures, including caps, lids, etc. of rubber or plastic.....	214	243	441	318
773.2600	Gaskets of rubber or plastic.....	19,966	23,169	31,451	50,082
773.3100	Electrical insulators of rubber or plastic	457	476	1,450	1,004
774.7000	Articles n.s.p.f. of rubber or plastic	11,474	22,605	29,442	36,801
791.8100	Articles of reptile leather.....	---	---	---	---
791.9100	Other leather articles n.s.p.f.....	18	7	16	138
	Total duty-free parts.....	3,475,554	5,181,406	7,098,219	7,657,398
Grand total of all duty-free motor vehicles and parts.....		12,401,147	16,012,336	21,697,157	23,443,677

Source: U.S. Department of Commerce, Bureau of the Census

TABLE 16.--U.S. AUTOMOTIVE TRADE
TOTAL WITH ALL COUNTRIES, WITH CANADA, AND WITH ALL COUNTRIES EXCEPT CANADA
1983-1985
(Millions of U.S. Dollars)

	TRADE WITH ALL COUNTRIES			TRADE WITH CANADA 2/			TRADE WITH ALL COUNTRIES EXCEPT CANADA		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
U.S. Exports: 1/									
Passenger Cars	4,200	4,868	6,020	3,856	4,561	5,724	344	307	296
Trucks, buses and chassis	1,760	1,903(r)	2,246	1,028	1,576	1,994	732	327(r)	252
Parts and accessories	10,490	13,035	13,667	7,281	9,081	9,308	3,209	3,954	4,359
TOTAL Exports	16,450	19,806(r)	21,933	12,165	15,218	17,026	4,285	4,588(r)	4,907
U.S. Imports:									
Passenger cars	24,345	30,749	38,550	7,278	10,110	11,174	17,067	20,639(r)	27,376
Trucks, buses and chassis	5,911	7,832	9,518	3,599	4,543	4,690	2,312	3,289(r)	4,828
Parts and accessories	10,322(r)	14,542	16,590	5,314	7,376(r)	7,822	5,008	7,166(r)	8,768
TOTAL Imports	40,578	53,123	64,658	16,191	22,029(r)	23,686	24,387	31,094(r)	40,972
U.S. NET EXPORTS (-) 3/	(24,128)	(33,317)(r)	(42,725)	(4,026)	(6,811)(r)	(6,660)	(20,102)	(26,506)(r)	(36,065)

1/ Some automotive products as well as other items destined for automotive use are not separately delineated in U.S. trade classification systems and, therefore, are not separately available. Thus, these figures are not all inclusive. In addition, exports and imports of tires and tubes are not included. (Figures may not add to totals due to rounding.)

2/ The purpose of this table is to compare the U.S. automotive trade balance with Canada and with the rest of the world. Automotive products imported using the Automotive Products Trade Act of 1965 (APTA) have separate U.S. Tariff Schedule numbers. Only those items identifiable as automotive imports from Canada where similar items are not identifiable in the statistics of imports from other countries have been excluded. (See Table 14 for totals of these APTA items for Canada.)

3/ The net balance shown for U.S. automotive trade with Canada in the above table is the most representative figure possible on the basis of general U.S. trade statistics. However, see discussion of U.S.-Canadian automotive trade statistics in Section III.

Source: U.S. Department of Commerce, Bureau of the Census.

(r) - Revised data.

TABLE 17.--U.S. AUTOMOTIVE EXPORTS, CALENDAR YEARS 1983-1985

(Millions of U.S. Dollars) 1/

Country of Destination	Passenger cars			Trucks, Buses & Chassis			Parts and Accessories			Total Exports		
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
Canada	3,856	4,561	5,724	1,028	1,576(r)	1,994	7,281	9,081	9,308	12,165	15,218(r)	17,026
Belgium and Luxembourg	6	4	1	2	---	---	124	92	94	132	97(r)	95
Brazil	---	---	---	---	---	---	56	59	93	56	59(r)	93
West Germany	29	40	26	8	4(r)	5	211	235	274	248	279(r)	305
United Kingdom	3	2	3	6	3(r)	2	195	215	209	204	220(r)	214
Japan	31	29	19	6	1	1	134	167	191	171	197(r)	211
Mexico	3	4	5	13	7(r)	8	782	1,397	1,912	798	1,408(r)	1,925
Kuwait	30	28	37	47	24	15	58	40	31	135	92	83
Saudi Arabia	130	110	103	286	116(r)	66	208	183	142	624	409(r)	311
Colombia	5	3	1	12	5(r)	4	79	70	63	96	78(r)	68
Venezuela	3	1	---	15	6(r)	4	271	381	321	289	388(r)	325
Australia	1	1	1	31	29(r)	25	124	188	197	156	218(r)	223
Other Countries	103	85	100	306	131(r)	122	967	927	832	1,376	1,143(r)	1,054
TOTAL	4,200	4,868	6,020	1,760	1,903(r)	2,246	10,490	13,035	13,667	16,450	19,806(r)	21,933

1/Some automotive products as well as other items destined for automotive use are not separately delineated in U.S. trade classification systems and, therefore, are not separately available. These figures are therefore not all inclusive. In addition, exports of tires and tubes are not included. (Figures may not add to totals due to rounding).

Source: U.S. Department of Commerce, Bureau of the Census.

(r) - Revised data

TABLE 19.--U.S. AUTOMOTIVE IMPORTS, CALENDAR YEARS 1983-1985
(Millions of U.S. Dollars) 1/

Country of Origin	Passenger Cars			Trucks, Buses & Chassis			Parts and Accessories			Total Imports		
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
CANADA:												
Traditional 2/	7,278	10,110	11,174	3,599	4,543	4,690	5,314	7,376	7,821	16,191	22,029	23,685
APTA 3/	---	---	---	---	---	---	410	559	607	410	559	607
TOTAL	7,278	10,110	11,174	3,599	4,543	4,690	5,724	7,935	8,428	16,601	22,588	24,292
Brazil	---	15	39	20	45	53	384	518	556	404	578	648
France	558	561	445	64	133	140	178	221	278	800	915	863
Italy	79	137	138	21	17	39	76	125	127	176	279	304
Japan	11,067	13,138	17,109	2,134	2,896	4,198	1,640	2,415	3,005	14,841	18,449	24,312
Mexico	28	52	283	11	66	245	1,344	1,866	2,330	1,383	1,984	2,858
Sweden	1,107	1,235	1,654	2	6	28	41	64	63	1,150	1,305	1,745
United Kingdom	432	482	624	16	38	39	191	310	335	639	830	998
West Germany	3,736	4,914	6,933	6	22	35	585	784	981	4,327	5,720	7,949
Other Countries	60	105	151	38	66	51	569	863(r)	1,094	667	1,034(r)	1,296
TOTAL	24,345	30,749	38,550	5,911	7,832	9,518	10,732	15,101	17,197	40,988	53,682(r)	65,265

1/ F.A.S. values, 1981; Customs Value Basis, 1982 and 1983. Note: Figures may not add to total because of rounding.

2/ Traditional automotive imports from Canada include those imports identifiable as automotive products in import figures from all countries.

3/ APTA imports include those imports from Canada which were newly identified by the APTA of 1965 as automotive products. These items cannot be identified as automotive in the import data for any other country or in the U.S. export data.

Source: U.S. Department of Commerce, Bureau of the Census

(r) - Revised data

TABLE 19.--TOTAL U.S. TRADE (ALL COMMODITIES)
WITH THE WORLD AND WITH CANADA
CALENDAR YEARS 1965 and 1982-1985

(Millions of U.S. Dollars)

	1965	1982	1983	1984	1985
Exports, including reexports					
To all countries, total	27,630	212,275	200,538	217,888	213,146
To Canada	5,658	33,720	38,244	46,524	47,251
Canada's percent of total	19.9	15.9	19.1	21.4	22.2
Imports, general: 1/					
From all countries, total	21,429	243,952	258,048	325,726	345,276
From Canada, total	4,858	46,477	52,130	66,478	69,006
Canada's percent of total	22.7	19.1	20.2	20.4	20.0

1/ Beginning in 1982, import values are only recorded as "Custom Import Values," the value of imports as appraised by the U.S. Customs Service. "Free Alongside Ship" values (F.A.S.) were last reported in 1981 for imports.

Source: U.S. Department of Commerce, Bureau of the Census

TABLE 20.--CANADIAN AUTOMOTIVE EXPORTS, CALENDAR YEARS 1983-1985 [1]

(Millions of U.S. Dollars) [2]

Country of Destination	Passenger cars			Trucks and Buses			Parts and Accessories			Total Exports		
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
United States	7,687	10,462(r)	11,601	3,509	4,314(r)	4,388	5,584	7,323	7,778	16,780	22,097(r)	23,767
West Germany	2	2	---	---	---	---	9	12	13	11	13	13
United Kingdom	---	---	---	1	1	1	7	6	5	8	7	6
Sweden	1	---	---	3	2	3	8	9	9	12	11	12
South Africa	---	---	---	6	2	1	3	3	2	9	5	3
West Indies	4	25	28	4	5	15	3	3	2	11	33	46
Australia	---	---	---	3	5	22	17	26	29	19	30	52
All other countries	106	143	27	103	112	108	153	153	157	362	398(r)	292
TOTAL [3]	7,800	10,632(r)	11,657	3,629	4,427	4,539	5,784	7,533	7,995	17,213	22,594(r)	24,191

[1] Revised 1985.

[2] Canadian dollars converted to U.S. dollars at the following exchange rates: $1 Canadian = $0.81136 U.S., 1983
$0.77202 U.S., 1984
$0.73217 U.S., 1985

[3] Totals may not add due to rounding.

Source: Statistics Canada.

(r) - Revised data

TABLE 21.--CANADIAN AUTOMOTIVE IMPORTS, CALENDAR YEARS 1983-1985 1/

Millions of U.S. Dollars 2/

Country of Origin	Passenger cars			Trucks and Buses			Parts and Accessories			Total Imports		
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
United States	3,965	4,698	5,892	955	1,618	1,867	8,805	11,102(r)	11,951	13,728	17,419(r)	19,710
West Germany	193	260	354	3	4	3	35	47	62	233	310	420
France	38	61	35	---	---	1	10	30	33	49	91	69
Italy	3	8	5	1	---	1	6	12	14	9	20	19
United Kingdom	14	23	30	2	3	2	13	25	30	29	51	63
Sweden	15	26	52	1	3	13	60	78	72	77	107	139
Japan	791	899	1,086	379	384	340	113	233	263	1,284	1,516	1,690
All other countries	16	116	424	4	7	6	197	301	472	218	624	913
Total 3/	5,037	6,091	7,889	1,346	2,019	2,234	9,233	12,028(r)	12,898	15,616	20,138(r)	23,022

1/ Revised 1985.

2/ Converted to U.S. dollars at the following exchanges rates : $1.00 Canadian= $0.80199 U.S., 1983
= $0.77202 U.S., 1984
= $0.72217 U.S., 1985

3/ Totals may not add due to rounding.

Source: Statistics Canada

(r) - Revised data

TABLE 22.--CANADIAN AUTOMOTIVE TRADE, TOTAL WITH ALL COUNTRIES, WITH UNITED STATES, AND WITH ALL OTHER COUNTRIES EXCEPT THE UNITED STATES 1983-1985 1/

(Millions of U.S. Dollars) 2/

	Trade with All Countries			Trade with United States			Trade with all countries except the United States		
	1983	1984	1985	1983	1984	1985	1983	1984	1985
Canadian Exports:									
Passenger Cars	7,800	10,632(r)	11,657	7,687	10,463(r)	11,601	113	169	56
Truck & Buses	3,629	4,430	4,539	3,509	4,314(r)	4,388	120	116(r)	151
Parts and Accessories	5,784	7,532	7,995	5,584	7,321	7,778	200	218	217
TOTAL 3/	17,213	22,594(r)	24,190	16,780	22,098(r)	23,767	433	496(r)	424
Canadian Imports:									
Passenger Cars	5,037	6,091	7,889	3,965	4,698	5,892	1,072	1,393	1,996
Trucks & Buses	1,346	2,019	2,234	958	1,619	1,867	388	401	367
Parts and Accessories	9,233	12,028(r)	12,899	8,805	11,102	11,951	428	925	948
TOTAL	15,616	20,138(r)	23,022	13,728	17,419	19,710	1,888	2,719	3,311
Canadian Net Exports (-)	1,597	2,456(r)	1,168	3,052	4,679	4,057	(1,455)	(2,224)(r)	(2,888)

1/ Revised 1985

2/ Converted to U.S. dollars at the following exchanges rates: $1.00 Canadian = $0.80199 U.S., 1983
= $0.77202 U.S., 1984
= $0.73217 U.S., 1985

3/ Figures may not add to totals due to rounding.

SOURCE: Statistics Canada

(r) - Revised data

APPENDIX A

AUTO PACT IMPLEMENTATION

I. Background

Before 1965, the Canadian automotive industry was designed to serve a relatively small domestic market. Tariff, economic and political measures taken by the Canadian Government to improve production and increase exports, however, irritated economic relationships with the United States. American auto producers were encouraged to produce their vehicles in Canada to avoid the high tariffs protecting the Canadian industry, and to benefit from an import duty-remission program for Canadian manufacturers. As a result, the United States and Canada signed the Automotive Products Trade Agreement (Auto Pact) which allowed both countries to develop a more efficient automotive industry without harming the Canadian automotive industry.

The Agreement, signed on January 16, 1965, created the basis for an integrated automotive products market by removing duties on qualified trade of specified motor vehicles and original equipment automotive parts between the two countries (see Appendix B). The specified automotive products include:

1) motor vehicles with the exception of certain "special purpose" vehicles, such as electric trolley buses, three-wheeled vehicles and trailers accompanying truck tractors; and

2) parts (fabricated components) for use as original equipment in the manufacture of the specified motor vehicles but not replacement or aftermarket parts.

Certain automotive products -- trailers, tires and tubes -- are specifically excluded. In addition, in order to qualify for duty-free treatment under the Agreement, products must contain at least 50 percent U.S. or Canadian content.

In recognition of the need for a transition period for the smaller, higher-cost Canadian industry to adjust to the competitive pressures, several restrictive measures were set forth in Annex A to the Agreement: (1) only certain (officially approved) Canadian vehicle manufacturers could import automotive products duty-free, and (2) these manufacturers had to meet specified minimum Canadian value-added and Canadian production-to-sales ratio requirements to qualify for the duty-free importation privilege.

Article I of the Agreement sets forth three objectives:

a the creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;

b the liberalization of U.S. and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industry of both countries to participate on a fair and equitable basis in the expanding total market of the two countries; and

c the development of conditions in which market forces may operate effectively to attain the most economic pattern of investment, production and trade (Appendix B).

The United States and Canada further agreed to avoid actions which would frustrate the achievement of the Agreement's objectives. The Agreement is of unlimited duration though each Government has the right to terminate on twelve-months' notice.

II. U.S. Implementation

A. Coverage and GATT Treatment

The Agreement, as implemented in the United States by the Automotive Products Trade Act of 1965 (APTA) (see Appendix C), resulted in the removal of U.S. duties on specified new and used Canadian motor vehicles and original equipment automotive parts from Canada. In the United States, duty-free status is provided for imports of vehicles by manufacturers, as well as

individuals. Original equipment automotive parts can be imported only by designated motor vehicle manufacturers. Both the Agreement and the APTA limit duty-free treatment by the United States exclusively to articles from Canada, a violation of the unconditional "most-favored-nation" (MFN) obligations of the United States under Article I of the General Agreement on Tariffs and Trade. As a result, it was necessary for the United States to obtain a waiver from the GATT before it could implement the Agreement.

This waiver, approved on December 20, 1965, provided for an annual report, a review by the GATT contracting parties after two years, a biennial review thereafter if necessary, and consultations with any GATT Contracting Party whose trade was adversely affected by the Agreement. To date, the United States has received no requests for such consultations. Once the waiver was approved, the United States was able to implement the Agreement with the signing of the Automotive Products Trade Act of 1965 (APTA) on October 21, 1965. President Johnson proclaimed the tariff modifications effective retroactive to January 18, 1965. (See Appendix D)

B. "Bona Fide" Motor Vehicle Manufacturers

Under the Automotive Products Trade Act of 1965, original motor vehicle equipment imported from Canada is duty-free when made pursuant to an order, contract, or letter of intent from a "bona fide motor vehicle manufacturer" in the United States. The Act defines a bona fide manufacturer as a person

who, upon application to the Secretary of Commerce, is determined by the Secretary to have (a) produced no fewer than 15 complete motor vehicles in the United States during the previous 12 months; and (b) installed facilities in the United States with the capacity to produce 10 or more complete motor vehicles per 40-hour week. The Secretary of Commerce has delegated the responsibility for certification to the Director of the Office of Automotive Industry Affairs within the International Trade Administration.

A firm is regarded as having the capacity to produce a complete motor vehicle only if its operations include the assembly of two or more major components (e.g., the attachment of a body to a chassis) to create a new motor vehicle ready for use. Certified manufacturers must be engaged in one or more of the following types of business: (a) the manufacturing of motor vehicles, including motor vehicle chassis; (b) the manufacturing and installation of motor vehicle bodies and other motor vehicle equipment on new chassis; and (c) the installation of motor vehicle bodies, trailer hitches known as fifth wheels, and other motor vehicle equipment on new chassis.

The Rules and Regulations published in Part 615, Chapter VI, Title 15 of the Code of Federal Regulations outline procedures for filing by motor vehicle manufacturers. They also provide for preparation, maintenance, and publication in the Federal Register of a list of these manufacturers. Certification of a manufacturer is valid for a twelve-month period from the date the Secretary determines the manufacturer is qualified. Certification is renewable.

Certified manufacturers in the United States are located in 40 states, with Michigan, Indiana, Ohio, New York, Texas, Pennsylvania, Wisconsin, Illinois, and California leading the list in number of establishments. As of August 1, 1988, a total of 179 U.S. motor vehicle manufacturers were certified as "bona fide" (see Appendix E). The Government of Canada lists 135 Canadian firms that, as of January 1, 1988, are considered motor vehicle manufacturers (see Appendix F).

III. Canadian Implementation

A. Orders-in-Council

Canada implemented its part of the Agreement somewhat differently. Two "Orders in Council" simultaneously established duty-free treatment, as of January 18, 1965, for imports of specified motor vehicles and original equipment parts from the United States and terminated the duty-remission program. Canada extended duty-free treatment to specified new motor vehicles and original equipment parts on an MFN basis to all automotive manufacturers who had production facilities in Canada at the time of negotiation for the Agreement. As a result, Canada was not required to obtain a GATT waiver for its Order-in-Council.

B. Safeguards

The Canadian Government also required motor vehicle manufacturers to furnish Letters of Undertaking to increase Canadian value-added. These letters committed the companies to: (a) specific increases in Canadian value-added to be accomplished by July 31, 1968; and (b) additional increases in the Canadian value-added, annually, by a proportion of any growth in sales in the Canadian market. Although the letters were exchanged between the companies and the Canadian Government, they were signed with the tacit approval of the United States Government. The U.S. Government did not expect these "value-added" safeguards to remain in effect beyond the transitional period and withdrew its tacit approval of the Letters of Undertaking in 1970, well after the passing of the July 31, 1968, deadline. The safeguards were still in effect at the end of 1985.

C. Non-APTA Imports

With the duty-free import privilege in Canada limited to vehicle manufacturers, non-Auto Pact motor vehicles imports from the United States still were assessed a Canadian duty of 10.7 percent ad valorem in 1985. (This duty decreased from 11.4 percent in 1984 and was scheduled to decrease to 9.9 percent in 1986.) Still, in both countries, only eligible vehicle manufacturers may import original equipment parts and accessories free of duty.

APPENDIX B

Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada

The Government of the United States of America and the Government of Canada,

Determined to strengthen the economic relations between their two countries;

Recognizing that this can best be achieved through the stimulation of economic growth and through the expansion of markets available to producers in both countries within the framework of the established policy of both countries of promoting multilateral trade;

Recognizing that an expansion of trade can best be achieved through the reduction or elimination of tariff and all other barriers to trade operating to impede or distort the full and efficient development of each country's trade and industrial potential;

Recognizing the important place that the automotive industry occupies in the industrial economy of the two countries an the interests of industry, labor and consumers in sustaining high levels of efficient production and continued growth in the automotive industry;

Agreed as follows:

ARTICLE I

The Governments of the United States and Canada, pursuant to the above principles, shall seek the early achievement of the following objectives:

(a) The creation of a broader market for automotive products within which the full benefits of specialization and large-scale production can be achieved;

(b) The liberalization of United States and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries;

(c) The development of conditions in which market forces may operate effectively to attain the most economic pattern of investment, production and trade.

It shall be the policy of each Government to avoid actions which would frustrate the achievement of these objectives.

ARTICLE II

(a) The Government of Canada, not later than the entry into force of the legislation contemplated in paragraph (b) of this Article, shall accord duty-free treatment to imports of the products of the United States described in Annex A.

(b) The Government of the United States, during the session of the United States Congress commencing on January 4, 1965, shall seek enactment of legislation authorizing duty-free treatment of imports of the products of Canada described in Annex B. In seeking such legislation, the Government of the United States shall also seek authority permitting the implementation of such duty-free treatment retroactively to the earliest date administratively possible following the date upon which the Government of Canada has accorded duty-free treatment. Promptly after the entry into force of such legislation, the Government of the United States shall accord duty-free treatment to the products of Canada described in Annex B.

ARTICLE III

The commitments made by the two Governments in this Agreement shall not preclude action by either Government consistent with obligations under Part II of the General Agreement on Tariffs and Trade.

ARTICLE IV

(a) At any time, at the request of either Government, the two Governments shall consult with respect to any matter relating to this Agreement.

(b) Without limiting the foregoing, the two Governments shall, at the request of either Government, consult with respect to any problems which may arise concerning automotive producers in the United States which do not at present have facilities in Canada for the manufacture of motor vehicles, and with respect to the implications for the operation of this Agreement of new automotive producers becoming established in Canada.

(c) No later than January 1, 1968, the two Governments shall jointly undertake a comprehensive review of the progress made towards achieving the objectives set forth in Article I. During this review the Governments shall consider such further steps as may be necessary or desirable for the full achievement of these objectives.

ARTICLE V

Access to the United States and Canadian markets provided for under this Agreement may by agreement be accorded on similar terms to other countries.

ARTICLE VI

This Agreement shall enter into force provisionally on the date of signature and definitively on the date upon which notes are exchanged between the two Governments giving notice that appropriate action in their respective legislatures has been completed.

ARTICLE VII

This Agreement shall be of unlimited duration. Each Government shall however have the right to terminate this Agreement twelve months from the date on which that Government gives written notice to the other Government of its intention to terminate the Agreement.

IN WITNESS WHEREOF the representatives of the two Governments have signed this Agreement.

DONE in duplicate at Johnson City, Texas, this 16th day of January 1965, in English and French, the two texts being equally authentic.

For the Government of the United States of America:

For the Government of Canada:

ANNEX A

1. (1) Automobiles; when imported by a manufacturer of automobiles.

(2) All parts, and accessories and parts thereof, except tires and tubes, when imported for use as original equipment in automobiles to be produced in Canada by a manufacturer of automobiles.

(3) Buses, when imported by a manufacturer of buses.

(4) All parts, and accessories and parts thereof, except tires and tubes, when imported for use as original equipment in buses to be produced in Canada by a manufacturer of buses.

(5) Specified commercial vehicles, when imported by a manufacturer of specified commercial vehicles.

(6) All parts, and accessories and part thereof, except tires, tubes and any machines or other articles required under Canadian tariff item 438a to be valued separately under the tariff items regularly applicable thereto, when imported for use as original equipment in specified commercial vehicles to be produced in Canada by a manufacturer of specified commercial vehicles.

2. (1) "Automobile" means a four-wheeled passenger automobile having a seating capacity for not more than ten persons;

(2) "Base year" means the period of twelve months commencing on the 1st day of August, 1963 and ending on the 31st day of July, 1964;

(3) "Bus" means a passenger motor vehicle having a seating capacity for more than 10 persons, or a chassis therefor, but does not include any following vehicle or chassis therefor, namely an electric trackless trolley bus, amphibious vehicle, tracked or half-tracked vehicle or motor vehicle designed primarily for off-highway use;

(4) "Canadian value added" has the meaning assigned by regulations made under section 273 of the Canadian Customs Act;

(5) "Manufacturer" of vehicles of any following class, namely automobiles, buses or specified commercial vehicles, means, in relation to any importation of goods in respect of which the decription is relevant, a manufacturer that

(i) produced vehicles of that class in Canada in each of the four consecutive three months' periods in the base year, and

(ii) produced vehicles of that class in Canada in the period of twelve months ending on the 31st day of July in which the importation is made,

(A) the ratio of the net sales value of which to the net sales value of all vehicles of that class sold for consumption in Canada by the manufacturer in that period is equal to or higher than the ratio of the net sales value of all vehicles of that class produced in Canada by the manufacturer in the base year to the net sales value of all vehicles of that class sold for consumption in Canada by the manufacturer in the base year, and is not in any case lower than seventy-five to one hundred; and

(B) the Canadian value added of which is equal to or greater than than Canadian value added of all vehicles of that class produced in Canada by the manufacturer in the base year;

(6) "Net sales value" has the meaning assigned by regulations made under section 273 of the Canadian Customs Act; and

(7) "Specified commercial vehicle" means a motor truck, motor truck chassis, ambulance or chassis therefor, or hearse or chassis therefor, but does not include:

(a) any following vehicle or a chassis designed primarily therefor, namely a bus, electric trackless trolley bus, amphibious vehicle, tracked or half-tracked vehicle, golf or invalid cart, straddle carrier, motor vehicle designed primarily for off-highway use, or motor vehicle specially constructed and equipped to perform special services or functions, such as, but not limited to, a fire engine, mobile crane, wrecker, concrete mixer or mobile clinic, or

(b) any machine or other article required under Canadian tariff item 438a to be valued separately under the tariff item regularly applicable thereto.

3. The Government of Canada may designate a manufacturer not falling within the categories set out above as being entitled to the benefit of duty-free treatment in respect of the goods described in this annex.

ANNEX B

(1) Motor vehicles for the transport of persons or articles as provided for in items 692.05 and 692.10 of the Tariff Schedules of the United States and chassis therefor, but not including electric trolley buses, three-wheeled vehicles, or trailers accompanying truck tractors, or chassis therefor.

(2) Fabricated components, not including trailers, tires, or tubes for tires, for use as original equipment in the manufacture of motor vehicles of the kinds described in paragraph (1) above.

(3) Articles of the kinds described in paragraphs (1) and (2) above include such articles whether finished or unfinished but do not include any article produced with the use of materials imported into Canada which are products of any foreign country (except materials produced within the customs territory of the United States), if the aggregate value of such imported materials when landed at the Canadian port of entry, exclusive of any landing cost and Canadian duty, was—

(a) with regard to articles of the kinds described in paragraph (1), not including chassis, more than 60 percent until January 1, 1968, and thereafter more than 50 percent of the appraised customs value of the article imported into the customs territory of the United States; and

(b) with regard to chassis of the kinds described in paragraph (1), and articles of the kinds described in paragraph (2), more than 50 percent of the appraised customs value of the article imported into the customs territory of the United States.

APPENDIX C

Public Law 89-283

89th Congress, H.R. 9042

October 21, 1965

AN ACT To provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SHORT TITLE

SECTION 101. This Act may be cited as the "Automotive Products Trade Act of 1965."

PURPOSES

SEC. 102. The purposes of this Act are—

(1) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada signed on January 16, 1965 (hereinafter referred to as the "Agreement"), in order to strengthen the economic relations and expand trade in automotive products between the United States and Canada; and

(2) to authorize the implementation of such other international agreements providing for the mutual reduction or elimination of duties applicable to automotive products as the Government of the United States may hereafter enter into.

TITLE II—BASIC AUTHORITIES

IMPLEMENTATION OF THE AGREEMENT

SEC. 201. (a) The President is authorized to proclaim the modifications of the Tariff Schedules of the United States provided for in title IV of his Act.

(b) At any time after the issuance of the proclamation authorized by subsection (a), the President is authorized to proclaim further modifications of the Tariff Schedules of the United States to provide for the duty-free treatment of any Canadian article which is original motor-vehicle equipment (as defined by such Schedules as modified pursuant to subsection (a)) if he determines that the importation of such article, is actually or potentially of commercial significance and that such duty-free treatment is required to carry out the Agreement.

IMPLEMENTATION OF OTHER AGREEMENTS

SEC. 202. (a) Whenever, after determining that such an agreement will afford mutual trade benefits, the President enters into an agreement with the government of a country providing for the mutual elimination of the duties applicable to products of their respective countries which are motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles, the President (in accordance with subsection (d)) is authorized to proclaim such modifications of the Tariff Schedules of the United States as he determines to be required to carry out such agreement.

(b) Whenever, after having entered into an agreement with the government of a country providing for the mutual elimination of the duties applicable to products described in subsection (a), the President, after determining that such further agreement will afford mutual trade benefits, enters into a further agreement with such government providing for the mutual reduction or elimination

of the duties applicable to automotive products other than motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles, the President (in accordance with subsection (d)) is authorized to proclaim such modifications of the Tariff Schedules of the United States as he determines to be required to carry out such further agreement.

(c) Before the President enters into the negotiation of an agreement referred to in subsection (a) or (b), he shall—

(1) seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such agreement;

(2) give reasonable public notice of his intention to negotiate such agreement (which notice shall be published in the Federal Register) in order that any interested person may have an opportunity to present his views to such agency as the President shall designate, under such rules and regulations as the President may prescribe; and

(3) seek information and advice with respect to such agreement from the Department of Commerce, Labor, State, and the Treasury, and from such other sources as he may deem appropriate.

(d)(1) The President shall transmit to each House of the Congress a copy of each agreement referred to in subsection (a) or (b). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session.

(2) The President is authorized to issue any proclamation to carry out any such agreement—

(A) only after the expiration of the 60-day period following the date of delivery,

(B) only if, between the date of delivery and the expiration of such 60-day period, the Congress has not adopted a concurrent resolution stating in substance that the Senate and House of Representatives disapprove of the agreement, and

(C) in the case of any agreement referred to in subsection (b) with any country, only if there is in effect a proclamation implementing an agreement with such country applicable to products described in subsection (a).

(3) For purposes of paragraph (2) in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(e) This section shall cease to be in effect on the day after the date of the enactment of this Act.

EFFECTIVE DATE OF PROCLAMATIONS

SEC. 203. (a) Subject to subsection (b), the President is authorized, notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C., sec. 1514) or any other provision of law, to give retroactive effect to any proclamation issued pursuant to section 201 of this Act as of the earliest date after January 17, 1965, which he determines to be practicable.

(b) In the case of liquidated customs entries, the retroactive effect pursuant to subsection (a) of any proclamation shall apply only upon request therefor filed with the customs officer concerned on or before the 90th day after the date of such proclamation and subject to such other conditions as the President may specify.

TERMINATION OF PROCLAMATIONS

SEC. 204. The President is authorized at any time to terminate, in whole or in part, any proclamation issued pursuant to section 201 or 202 of this Act.

SPECIAL REPORTS TO CONGRESS

SEC. 205. (a) No later than August 31, 1968, the President shall submit to the Senate and the House of Representatives a special report on the comprehensive review called for by Article IV(c) of the Agreement. In such report he shall advise the Congress of the progress made toward the achievement of the objectives of Article I of the Agreement.

(b) Whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968, he shall

report such finding to the Senate and the House of Representatives. The President shall also report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of enactment of this Act.

(c) The reports provided for in subsections (a) and (b) of this section shall include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the Agreement and this Act.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

GENERAL AUTHORITY

SEC. 301. Subject to section 302 of this Act, a petition may be filed for tariff adjustment or for a determination of eligibility to apply for adjustment assistance under title III of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1901–1991) as though the reduction or elimination of a duty proclaimed by the President pursuant to section 201 or 202 of this Act were a concession granted under a trade agreement referred to in section 301 of the Trade Expansion Act of 1962.

SPECIAL AUTHORITY DURING TRANSITIONAL PERIOD UNDER THE AGREEMENT

SEC. 302. (a) After the 90th day after the date of the enactment of this Act and before July 1, 1968, a petition under section 301 of this Act for a determination of eligibility to apply for adjustment assistance may be filed with the President by—

(1) a firm which produces an automotive product, or its representative; or

(2) a group of workers in a firm which produces an automotive product, or their certified or recognized union or other duly authorized representative.

(b) After a petition is filed by a firm or group of workers under subsection (a), the President shall determine whether—

(1) dislocation of the firm or group of workers has occurred or threatens to occur;

(2) production in the United States of the automotive product concerned produced by the firm, or an appropriate subdivision thereof, and of the automotive product like or directly competitive therewith, has decreased appreciably; and

(3)(A) imports into the United States from Canada of the Canadian automotive product like or directly competitive with that produced by the firm, or an appropriate subdivision thereof, have increased appreciably; or

(B) exports from the United States to Canada of the United States automotive product concerned produced by the firm, or an appropriate subdivision thereof, and of the United States automotive product like or directly competitive therewith, have decreased appreciably, and the decrease in such exports is greater than the decrease, if any, in production in Canada of the Canadian automotive product like or directly competitive with the United States automotive product being exported.

(c) If the President makes an affirmative determination under paragraphs (1), (2), and (3) of subsection (b), with respect to a firm or group of workers, he shall promptly certify that as a result of its dislocation the firm or group of workers is eligible to apply for adjustment assistance, unless the President determines that the operation of the Agreement has not been the primary factor in causing or threatening to cause dislocation of the firm or group of workers.

(d) If the President makes an affirmative determination under paragraph (1) but a negative determination under paragraph (2) or (3) of subsection (b), with respect to a firm or group of workers, the President shall determine whether the operation of the Agreement has nevertheless been the primary factor in causing or threatening to cause dislocation of the firm or group of workers. If the President makes such an affirmative determination, he shall promptly certify that as a result of its dislocation the firm or group of workers is eligible to apply for adjustment assistance.

(e)(1) In order to provide the President with a factual record on the basis of which he may make the determinations referred to in subsections (b), (c), and (d)

with respect to a firm or a group of workers, the President shall promptly transmit to the Tariff Commission a copy of each petition filed under subsection (a) and, not later than 5 days after the date on which the petition is filed, shall request the Tariff Commission to conduct an investigation related to questions of fact relevant to such determinations and to make a report of the facts disclosed by such investigation. In his request, the President may specify the particular kinds of data which he deems appropriate. Upon receipt of the President's request, the Tariff Commission shall promptly institute the investigation and promptly publish notice thereof in the Federal Register.

(2) In the course of each investigation conducted under paragraph (1), the Tariff Commission shall, after reasonable notice, hold a public hearing, if such hearing is requested (not later than 10 days after the date of the publication of its notice under paragraph (1)) by the petitioner or any other person showing a proper interest in the subject matter of the investigation, and shall afford interested persons an opportunity to be present, to produce evidence, and to be heard at such hearing.

(3) Not later than 30 days after the date on which it receives the request of the President under paragraph (1), the Tariff Commission shall transmit to the President a report of the facts disclosed by its investigation, together with the transcript of the hearing and any briefs which may have been submitted in connection with such investigation.

(f)(1) The President shall make each final determination under subsection (b) (c), or (d) with respect to a firm or group of workers only after he has sought advice from the Departments of Commerce, Labor, and the Treasury, the Small Business Administration, and such other agencies as he may deem appropriate.

(2) The President shall make each such final determination not later than 15 days after the date on which he receives the Tariff Commission's report, unless, within such period, the President requests additional factual information from the Tariff Commission. In this event, the Tariff Commission shall, not later than 25 days after the date on which it receives the President's request, furnish such additional factual information in a supplemental report, and the President shall make his final determination not later than 10 days after the date on which he receives such supplemental report.

(3) The President shall promptly publish in the Federal Register a summary of each final determination under this section.

(g) Any certification with respect to a group of workers made by the President under this section shall—

(1) specify the date on which the dislocation began or threatens to begin; and

(2) be terminated by the President whenever he determines that the operation of the Agreement is no longer the primary factor in causing separations from the firm or subdivision thereof, in which case such termination shall apply only with respect to separations occurring after the termination date specified by the President.

(h) Any certification with respect to a firm or a group of workers or any termination of such certification, including the specification of a date in such certification or termination, made by the President under this section shall constitute a certification or termination, including the specification of a date therein, under section 302 of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1902) for purposes of chapter 2 or 3 of title III of that Act.

(i) If a firm which has been certified under this section applies for tax assistance as provided by section 317 of the Trade Expansion Act of 1962, the reference in subsection (a)(2) of such section 317 to a trade or business which was seriously injured by increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements shall be treated as referring to a trade or business which was seriously injured by the operation of the Agreement.

(j) Notwithstanding any provision of chapter 3 of title III of the Trade Expansion Act of 1962 or of this title, applications based on any certification made by the President under this section for—

(1) trade readjustment allowances for weeks of unemployment beginning after January 17, 1963, and before the 90th day after the date of the enactment of this Act, and

(2) relocation allowances for relocations occurring after January 17, 1963, and before such 90th day,

shall be determined in accordance with regulations prescribed by the Secretary of Labor.

(k) The President is authorized to exercise any of his functions under this section through such agency or other instrumentality of the United States Government as he may direct and in conformity with such rules or regulations as he may prescribe.

(l) For purposes of this section—

(1) The term "automotive product" means a motor vehicle or a fabricated component to be used as original equipment in the manufacture of motor vehicles.

(2) The term "dislocation" means—

(A) in the case of a firm, injury to the firm, which may be evidenced by such conditions as idling of productive facilities, inability to operate at a level of reasonable profit, or unemployment or underemployment, and which is of a serious nature; and

(B) in the case of a group of workers, unemployment or underemployment of a significant number or proportion of the workers of a firm or an appropriate subdivision thereof.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) The term "operation of the Agreement" includes governmental or private actions in the United States or Canada directly related to the conclusion or implementation of the Agreement.

ADJUSTMENT ASSISTANCE RELATED TO OTHER AGREEMENTS

SEC. 303. At the time the President transmits to the Congress a copy of any agreement pursuant to section 202(d)(1), he shall recommend to the Congress such legislative provisions concerning adjustment assistance to firms and workers as he determines to be appropriate in light of the anticipated economic impact of the reduction or elimination of duties provided for by such agreement.

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. There are hereby authorized to be appropriated such sums as may be necessary from time to time to carry out the provisions of this title, which sums are authorized to be appropriated to remain available until expended.

TITLE IV—MODIFICATIONS OF TARIFF SCHEDULES OF THE UNITED STATES

ENTRY INTO FORCE AND STATUS OF MODIFICATIONS

SEC. 401. (a) The modifications of the Tariff Schedules of the United States provided for in this title shall not enter into force except as proclaimed by the President pursuant to section 201(a) of this Act.

(b) The rates of duty in column numbered 1 of the Tariff Schedules of the United States which are modified pursuant to section 201(a) of this Act shall be treated—

(1) as not having the status of statutory provisions enacted by the Congress, but

(2) as having been proclaimed by the President as being required to carry out a foreign trade agreement to which the United States is a party.

REFERENCES TO TARIFF SCHEDULES

SEC. 402. Whenever in this title a modification is expressed in terms of a modification of an item or other provision, the reference shall be considered to be made to an item or other provision of the Tariff Schedules of the United States (19 U.S.C., sec. 1202). Each page reference "(p.)" in this title refers to the page on which the item or provision referred to appears both in part II of the Federal Register for August 17, 1963, and in volume 77A of the United States Statutes at Large.

DEFINITION OF CANADIAN ARTICLE

SEC. 403. In general headnote 3 (pp. 11 and 12) redesignate paragraphs (d), (e), and (f) as paragraphs (e), (f), and (g), respectively, and insert a new paragraph (d) as follows:

"(d) Products of Canada.

"(i) Products of Canada imported into the customs territory of the United States, whether imported directly or indirectly, are subject to the rates of duty set forth in column numbered 1 of the schedules. The rates of duty for a Canadian article, as defined in subdivision (d)(ii) of this headnote, apply only as shown in the said column numbered 1.

"(ii) The term 'Canadian article', as used in the schedules, means an article which is the product of Canada, but does not include any article produced with the use of materials imported into Canada which are products of any foreign country (except materials produced within the customs territory of the United States), if the aggregate value of such imported materials when landed at the Canadian port of entry (that is, the actual purchase price, or, if not purchased, the export value, of such materials, plus, if not included therein, the cost of transporting such materials to Canada but exclusive of any landing cost and Canadian duty) was—

"(A) with regard to any motor vehicle or automobile truck tractor entered on or before December 31, 1967, more than 60 percent of the appraised value of the article imported into the customs territory of the United States; and

"(B) with regard to any other article (including any motor vehicle or automobile truck tractor entered after December 31, 1967), more than 50 percent of the appraised value of the article imported into the customs territory of the United States."

DEFINITION OF ORIGINAL MOTOR-VEHICLE EQUIPMENT

SEC. 404. In the headnotes for subpart B, part 6, schedule 6 add after headnote 1 (p. 323) the following new headnote:

"2. Motor Vehicles and Original Equipment Therefor of Canadian Origin.—(a) The term 'original motor-vehicle equipment', as used in the schedules with reference to a Canadian article (as defined by general headnote 3(d)), means such a Canadian article which has been obtained from a supplier in Canada under or pursuant to a written order, contract, or letter of intent of a bona fide motor-vehicle manufacturer in the United States, and which is a fabricated component intended for use as original equipment in the manufacture in the United States of a motor vehicle, but the term does not include trailers or articles to be used in their manufacture.

"(b) The term 'motor vehicle', as used in this headnote, means a motor vehicle of a kind described in item 692.05 or 692.10 of this subpart (excluding an electric trolley bus and a three-wheeled vehicle) or an automobile truck tractor.

"(c) The term 'bona fide motor-vehicle manufacturer', as used in this headnote, means a person who, upon application to the Secretary of Commerce, is determined by the Secretary to have produced no fewer than 15 complete motor vehicles in the United States during the previous 12 months, and to have installed capacity in the United States to produce 10 or more complete motor vehicles per 40-hour week. The Secretary of Commerce shall maintain, and publish from time to time in the Federal Register, a list of the names and addresses of bona fide motor-vehicle manufacturers.

"(d) If any Canadian article accorded the status of original motor-vehicle equipment is not so used in the manufacture in the United States of motor vehicles, such Canadian article or its value (to be recovered from the importer or other person who diverted the article from its intended use as original motor-vehicle equipment) shall be subject to forfeiture, unless at the time of the diversion of the Canadian article the United States Customs Service is notified in writing, and, pursuant to arrangements made with the Service—

"(i) the Canadian article is, under customs supervision, destroyed or exported, or

"(ii) duty is paid to the United States Government in an amount equal to the duty which would have been payable at the time of entry if the Canadian article had not been entered as original motor-vehicle equipment."

IDENTIFICATION OF AUTOMOTIVE PRODUCTS

SEC. 405. (a) Redesignate item 692.25 (p. 326) as 692.27; in headnote 1(b) of subpart B, part 6, schedule 6 (p. 325) substitute "item 692.27" in lieu of "item 692.25"; and insert in proper numerical sequence new items as follows.

"	692.06	If Canadian article, but not including any electric trolley bus, three-wheeled vehicle, or trailer accompanying an automobile truck tractor (see general headnote 3(d))	Free	"
"	692.11	If Canadian article, but not including any three-wheeled vehicle (see general headnote 3(d))	Free	"
"	692.21	Chassis, if Canadian article, except chassis for an electric trolley bus, or a three-wheeled vehicle; bodies (including cabs), if Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free	"
"	692.23	Chassis, if Canadian article, except chassis designed primarily for a vehicle described in item 692.15 or a three-wheeled vehicle; bodies (including cabs), if Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free	"
"	692.25	If Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free	"
"	692.29	Automobile truck tractors, if Canadian article; other articles, if Canadian article and original motor-vehicle equipment (see headnote 2 of this subpart)	Free	"

(a) Insert in proper numerical sequence new items as follows:

"	361.90	Any article described in the foregoing items 360.20 to 360.70, inclusive, 360.80, 361.80, or 361.85, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	516.90	Any article described in the foregoing items 516.71 to 516.76, inclusive, or 516.94, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	646.79	Any article described in the foregoing item 646.20 and items 646.40 to 646.76, inclusive (except 646.45 and 646.47), if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	652.30	Any article described in the foregoing items 652.12 to 652.50, inclusive, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	656.10	Any article described in the foregoing items 657.08 to 656.80, inclusive, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	692.65	Any article described in the foregoing items 692.10 to 692.60, inclusive (except 692.50), if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	695.58	Any article described in the foregoing items 695.20 to 695.56, inclusive, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"
"	721.38	Any article in the foregoing rates covering clocks, clock movements, clock cases and dials and parts thereof, plates (728.67), assemblies and subassemblies for clock movements, and other parts for clock movements, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free	"

(a) Insert in proper numerical sequence new items 353.27, 359.50, 728.30 748.80, and 774.70, each having an article description and rate as follows:

		Any article described in the foregoing provisions of this subpart, if Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6)	Free "

(d) Redesignate item 613.16 as 613.18, item 652.85 as 652.84, item 652.87 as 652.88, item 680.34 as 680.33, item 680.58 as 680.60, item 680.59 as 680.70, item 680.60 as 680.90, and item 711.91 as 711.93; and insert in proper numerical sequence new items as follows:

207.01	652.89	683.11
220.46	660.43	683.16
357.91	660.45	683.61
357.96	660.47	683.66
358.03	660.51	684.41
517.82	660.53	684.63
535.15	660.55	684.71
540.72	660.86	685.71
544.18	660.93	685.81
544.32	660.95	685.91
544.42	661.11	686.11
544.52	661.13	686.23
544.55	661.16	686.61
543.62	661.21	686.81
545.64	661.36	687.51
547.16	661.93	687.61
610.81	661.96	688.13
613.16	662.36	688.41
631.19	662.51	711.85
618.48	664.51	711.91
620.47	678.51	711.99
642.21	680.21	712.51
642.56	680.23	727.07
642.88	680.25	772.66
646.93	680.31	772.81
647.02	680.34	772.86
647.06	680.36	772.26
632.10	680.38	773.31
632.76	680.91	791.81
652.85	682.71	791.91
652.87	692.91	

each such item having the article description "If Canadian article and original motor-vehicle equipment (see headnote 2, part 6B, schedule 6) * * *" subordinate to the immediately preceding article description, and having "Free" in rate of duty column numbered 1.

TITLE V—GENERAL PROVISIONS

AUTHORITIES

SEC. 501. The head of any agency performing functions authorized by this Act may—

(1) authorize the head of any other agency to perform any of such functions; and

(2) prescribe such rules and regulations as may be necessary to perform such functions.

ANNUAL REPORT

SEC. 502. The President shall submit to the Congress an annual report on the implementation of this Act. Such report shall include information regarding new negotiations, reductions or eliminations of duties, reciprocal concessions obtained, and other information relating to activities under this Act. Such report shall also include information providing an evaluation of the Agreement and this Act in relation to the total national interest, and specifically shall include, to the extent practicable, information with respect to—

(1) the production of motor vehicles and motor vehicle parts in the United States and Canada,

(2) the retail prices of motor vehicles and motor vehicles parts in the United States and Canada,

(3) employment in the motor vehicle industry and motor vehicle parts industry in the United States and Canada, and

(4) United States and Canadian trade in motor vehicles and motor vehicle parts, particularly trade between the United States and Canada.

APPLICABILITY OF ANTIDUMPING AND ANTITRUST LAWS

SEC. 503. Nothing contained in this Act shall be construed to affect or modify the provisions of the Anti-Dumping Act, 1921 (19 U.S.C. 160–173), or of any of the antitrust laws as designated in section 1 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12).

TITLE VI—MISCELLANEOUS PROVISIONS

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

SEC. 601. Section 601(e) of the Revenue Act of 1941 (55 Stat. 726) (relating to the Joint Committee on Reduction of Nonessential Federal Expenditures) is amended to read as follows:

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

Approved October 21, 1963.

LEGISLATIVE HISTORY

House Reports: No. 327 (Committee on Ways and Means) and No. 1115 (committee of conference).
Senate Report No. 782 (Committee on Finance).
Congressional Record, vol. 111 (1963):
Aug. 31: Considered and passed House.
Sept. 18, 20: Considered in Senate.
Sept. 20: Considered and passed Senate, amended.
Oct. 3: Senate agreed to conference report.
Oct. 8: House agreed to conference report.

APPENDIX D

PRESIDENTIAL DOCUMENTS

[From the Federal Register, vol. 30, No. 209, Oct. 28, 1965]

TITLE 3—THE PRESIDENT

PROCLAMATION 3682

IMPLEMENTING AGREEMENT CONCERNING AUTOMOTIVE PRODUCTS BETWEEN THE UNITED STATES AND CANADA

By the President of the United States of America

A PROCLAMATION

WHEREAS the United States and Canada on January 16, 1965, entered into an Agreement Concerning Automotive Products, which provides that Canada shall accord duty-free treatment to imports of certain automotive products of the United States and that, after enactment of implementing legislation, the United States shall accord duty-free treatment to certain automotive products of Canada retroactively to the earliest date administratively possible following the date on which the agreement has been implemented by Canada (art. II, 89th Cong. 1st sess., H. Rep. 537, 38);

WHEREAS the agreement of January 16, 1965, was implemented by Canada through the granting of the requisite duty-free treatment to United States products on January 18, 1965;

WHEREAS titles II and IV of the Automotive Products Trade Act of 1965 have been enacted to provide for modifications of the Tariff Schedules of the United States (19 U.S.C. 1202) to implement the agreement of January 16, 1965, such modifications to enter into force in the manner proclaimed by the President (79 Stat. 1016);

WHEREAS sections 201(a) and 203 of the Automotive Products Trade Act of 1965 authorize the President to proclaim the modifications of the Tariff Schedules of the United States provided for in sections 403, 404, and 405 of that Act with retroactive effect as of the earliest date after January 17, 1965, which he determines to be practicable, and section 401(b) of that Act provides that the rates of duty in column numbered 1 of the tariff schedules that are modified pursuant to such proclamation shall be treated as having been proclaimed by the President as being required to carry out a foreign trade agreement to which the United States is a party (79 Stat. 1016); and

WHEREAS I determine that the earliest date, after January 17, 1965, as of which it is practicable to give retroactive effect to this proclamation is January 18, 1965:

NOW, THEREFORE, I, LYNDON B. JOHNSON, under the authority vested in me by the Constitution and the statutes, particularly sections 201(a) and 203 of the Automotive Products Trade Act of 1965, do proclaim (1) that the modifications of the Tariff Schedules of the United States provided for in sections 403 and 404 of that Act shall enter into force on the day following the date of this proclamation, and (2) that the modifications of the tariff schedules provided for in section 405 of that Act shall enter into force on December 20, 1965, effective with respect to articles which are or have been entered for consumption, or for warehouse, on or after January 18, 1965.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-first day of October in the year of our Lord nineteen hundred and sixty-five, and of the Independence of [SEAL] the United States of America the one hundred and nineteenth.

LYNDON B. JOHNSON

By the President:
DEAN RUSK,
Secretary of State.

[F. R. Doc. 65-11394; Filed, Oct. 28, 1965; 4:23 p.m.]

APPENDIX E

U.S. Bona Fide Motor Vehicle Manufacturers
(with renewal dates through August 1, 1988)

Airstream, Inc.
419 W. Pike Street
Jackson Center, OH 45334
January 1, 1988

Allan U. Bevier, Inc.
4514 Hollins Ferry Road
Baltimore, MD 21227
April 1, 1988

Allentown Brake & Wheel
Service, Inc.
P.O. Box 2088, R.D. #8
Allentown, PA 18001
October 19, 1987

Alloy Welding & Fab., Inc.
9761 Trevett Rd.
Boston, NY 14025
September 15, 1987

Amer. Semi Parts & Svc,Inc.
2814 North Cleveland Avenue
St. Paul, MN 55113
January 1, 1988

AM General Corporation
701 W. Chippewa Ave.
South Bend, IN 46680
September 19, 1987

A. M. Haire Body Co. Inc.
516 Pineywood Road
Thomasville, NC 27360
February 10, 1988

Amthor's Welding Svc., Inc.
Route 52 East
Walden, NY 12586
July 9, 1988

Arrowhead Equipment, Inc.
51 Boulevard
Glens Falls, NY 12801
May 1, 1988

Artco, Inc.
600 Brooks Avenue South
Thief River Falls, MN 56701
August 1, 1988

Automated Waste Equip Co.
P.O. Box 5757
Trenton, NJ 08648
September 1, 1987

Baillet's Garage, Inc.
RD 7, Box 88
Lehighton, PA 18235
May 1, 1988

Bankhead Enterprises, Inc.
1345 Bankhead Avenue
Atlanta, GA 30318
August 1, 1987

Benson Truck Bodies, Inc.
P.O. 49
Mineral Wells, WV 26150
August 1, 1988

Blue Bird Body Company
North Camellia Blvd
Fort Valley, GA 31030
January 19, 1988

B.M. Clark Company, Inc.
P.O. Box 185, St. Rte. 17
Union, ME 04862
January 14, 1988

Bob's Truck Body Repair
P.O. Box 198
Millington, MI 48746
February 1, 1988

Bowie Manufacturing, Inc.
313 S. Hancock
Lake City, IA 51449
May 1, 1988

Boyertown Auto Body Works
Third & Walnut Sts.
Boyertown, PA 19512-0418
September 1, 1987

Brake Service & Parts, Inc.
170 Washington St.
Bangor, ME 04401
August 1, 1987

Bremen Motor Corporation
425 Industrial Drive
Bremen, IN 46506
January 1, 1988

The Burke Company, Burke
Everest Division
8521 F.M. Road 1976
Converse, TX 78109
January 1, 1988

Bus Indus. of Amer., Inc.
Base Road, P.O. Box 449
Oriskany, NY 13424
April 1, 1988

Cargo Master, Inc.
P. O. Box 724
Goshen, IN 46526
March 14, 1988

Champion Motor Coach, Inc.
275 Graham Rd.
Imlay City, MI 48444
February 28, 1988

Chrysler Corporation
38111 Van Dyke Avenue
Sterling Heights, MI 48077
January 19, 1988

Clement Industries
Sibley Road
Minden, LA 71058-0914
August 1, 1988

Columbia ParCar Corp.
One Golf Car Road
Deerfield, WI 53531
February 1, 1988

Colombia Body & Equip. Co.
5525 S.E. 28th Avenue
Portland, OR 97202
March 1, 1988

Commercial Trk & Trlr, Inc.
313 N. State Street
Girard, OH 44420
January 1, 1988

Country Cruiser, Inc.
2206 Toledo Road (U.S. 20)
Elkhart, IN 46516
May 1, 1988

Corts Truck Equipment,Inc.
Mohawk Street
Whitesboro, NY 13492
May 1, 1988

Crane Carrier Company
1925 North Sheridan
Tulsa, OK 74158
January 1, 1988

Crenshaw Corporation
1700 Commerce Road
Richmond, VA 23224
July 1, 1988

Crown Coach Incorporated
13799 Monte Vista Avenue
Chino, CA 91710
January 1, 1988

Daleiden's Inc.
425 E. Vine Street
Kalamazoo, MI 49001
March 25, 1988

Dempster Systems Inc.
U.S. Highway 123 North
Toccoa, GA 30577
February 1, 1988

Diamond Star Motors Corp.
100 N. Diamond-Star Parkway
Normal, IL 61761
July 1, 1988

Donovan Spring & Equip. Co.
50 Upton Street
Manchester, NH 03103
July 1, 1988

Dresser Industries, Inc.
WABCO Haulpak Division
Peoria, IL 61639
February 1, 1988

Duplex Trk Div, Nolan Co.
600 Boyce Drive
Bowerston, OH 44695
October 1, 1987

Duralite Truck Body &
Container Corp.
1300 Bush Street
Baltimore, MD 21230
January 1, 1988

Eastern Tank Corporation
290 Pennsylvania Avenue
Paterson, New Jersey 07503
January 1, 1988

Eight Point Trlr. Corp.
6100 E. Washington Blvd.
Los Angeles, CA 90040
January 18, 1988

Excalibur Auto. Corp.
1735 S. 106th Street
Milwaukee, WI 53214
January 1, 1988

E & R Trlr Sales & Svc.
Rt. #1, Box 34
Middle Point, OH 45863
January 1, 1988

Esquire, Inc.
21861 Protecta Drive
Elkhart, IN 46516
January 1, 1988

Equipment Service, Inc.
40 Airport Road
Hartford, CT 06114
April 1, 1988

Federal Motors, Inc.
3611 S.W. 20th Street
Ocala, FL 32678
January 1, 1988

Ford Motor Company
Parklane Towers, Suite 200
Dearborn, MI 48126
January 18, 1988

Four Seasons Mfg., Inc.
1011 E. 14th Street
Ft. Lupton, CO. 80621
January 1, 1988

Freightliner Corporation
4747 N. Channel Avenue
Portland, OR 97208
December 14, 1987

Frink America, Inc.
205 Webb Street
Clayton, NY 13624
October 1, 1987

Fruehauf Corporation
10900 Harper Avenue
Detroit, MI 48232-5238
December 1, 1987

FWD Corporation
105 East 12th Street
Clintonville, WI 54929
January 1, 1988

General Motors Corporation
3044 W. Grand Boulevard
Detroit, MI 48202
January 19, 1988

General Transervice, Inc.
2325 West Second Street
Chester, PA 19013
August 1, 1988

Gillig Corporation
25800 Clawiter Road
Hayward, CA 94545
January 1, 1988

Gooch Brake & Equipment Co.
[illegible] Grand Avenue
Kansas City, MO 64106
January 1, 1988

The Greyhound Corp.
1742 Greyhound Tower
Phoenix, AZ 85077
August 1, 1987

Grumman Olson, a Div. of
Grumman Allied Industries
1801 S. Nottawa Rd.
Sturgis, MI 49091
January 1, 1988

Harley-Davidson, Inc.
3700 West Juneau Avenue
Milwaukee, WI 53208
January 1, 1988

Heil Equip Co. of Phila.
1223 Ridge Pike
Conshohocken, PA 19428
January 1, 1988

Heisler's Trucks & Parts
P.O. Box 1516
Mansfield, OH 44901
March 15, 1988

Hess & Eisenhardt
8959 Blue Ash Road
Cincinnati, OH 45242
January 1, 1988

Hews Company, Inc.
190 Rumery Street
South Portland, ME 04106
January 18, 1988

H.G. Anderson Equip. Corp.
480 South Street
Rensselaer, NY 12144
October 4, 1987

Hilbilt Mfg. Co., Inc.
Rt. 7 Box 5089
Benton, AR 72015
January 1, 1988

Hobbs Equip. Co., Inc.
69 Keeler Avenue
Norwalk, CT 06856
August 1, 1988

Holiday Rambler Corporation
65906 State Road 19
Wakarusa, IN 46573
January 1, 1988

Honda of America Mfg., Inc.
24000 U.S. Route 33
Marysville, OH 43040
January 1, 1988

Honey RVs, Inc.
1809 W. Hively
Elkhart, IN 46517
January 1, 1988

Howe Brothers, Inc.
R.D. 6, Box 16
Troy, NY 12180
April 1, 1988

Hulet Body Co.
8578 Witt Street
Detroit, MI 48029
January 1, 1988

Iowa Mold Tooling Co., Inc.
500 Highway 18 West
Garner, IA 50438
June 1, 1988

Iroquois Mfg. Co., Inc.
Richmond Road
Hinesburg, VT 05461
March 1, 1988

Isometrics, Inc.
1402 N. Scales Street
Reidsville, NC 27320
March 31, 1988

John Evans Mfg. Co.
P.O. Box 669
Sumter, SC 29151
October 1, 1987

F.L. Jursik Co.
245 Victor Avenue
Highland Park, MI 48203
July 1, 1987

Kaffenbarger Welding Co.
10100 Ballentine Pike
New Carlisle, OH 45344
January 1, 1988

Kawasaki Motors Mfg. Corp.
6600 Northwest 27th St.
Lincoln, NE 68524
January 1, 1988

Kelton Motors, Inc.
P.O. Box 1100, Rte. 14
White Rvr Junct., VT 05001
March 3, 1988

Kencar Equipment Co.
1906 Lakeview Ave.
Dayton, OH 45408
January 1, 1988

L & I, Inc.
108 Blacks Road
Chesire, CT 06410
March 1, 1988

Liberty Equipment Sales
82 Cherry Street
East Hartford, CT 06108
March 1, 1988

Liddell-Birmingham Trlr Co.
193 Main Street
Springville, AL 35146
August 1, 1987

LoDal, Inc.
East Blvd., P.O. Box 2315
Kingsford, MI 49801
April 1, 1988

Long Trailer Services, Inc.
P.O. Box 5105
Greenville, SC 29606
January 1, 1988

M & M Equipment Inc.
P.O. Box 152
Lebanon, NH 03766
March 15, 1988

Mack Trucks, Inc.
Box M
Allentown, PA 18105
January 1, 1988

Marion Body Works, Inc.
P.O. Box 500
Marion, WI 54950
January 1, 1988

Marmon Motor Company
P.O. Box 462009
Garland, TX 75046
September 1, 1987

Mazda Motor Mfg. (U.S.A.)
1 Mazda Drive
Flat Rock, MI 48134
August 15, 1988

McGraw Commer. Equip. Co.
7200 East Fifteen Mile Road
Sterling Heights, MI 48077
August 1, 1988

Meadows Hydraulics Sales &
Service, Inc.
U.S. Rte. 13 & S. Div. St.
Fruitland, MD 21826
October 29, 1987

Mercedes-Benz Truck Co.
4747 North Channel Avenue
Portland, OR 97208
January 1, 1988

Moore & Sons, Inc.
2900 Airways Blvd.
Memphis, TN 38130
January 1, 1988

Motor Trans. Services, Inc.
44 River Street
Cortland, NY 13045
August 1, 1988

Morgan Corporation
One Morgan Way
Morgantown, PA 19543
June 1, 1988

Multi Body & Hoist Corp.
180 Varick Avenue
Brooklyn, NY 11237
January 1, 1988

Mutual Wheel Company
2345 Fourth Avenue
Moline, IL 61265
August 1, 1988

Navistar International
401 North Michigan Avenue
Chicago, IL 60611
January 18, 1988

Nelson Mfg. Co.
6448 US Route 224
Ottawa, OH 45875
January 1, 1988

Neoplan USA Corporation
700 Gottlob Auwaerter Drive
Lamar, CO 81052
January 1, 1988

Newmar Corporation
355 N. Delaware Street
Nappanee, IN 46550
January 1, 1988

New Harrisburg Trk Body Co.
408 Sheely Lane
Mechanicsburg, PA 17055
February 29, 1988

New Flyer of America, Inc.
30361 Whipple Road
Union City, CA 94587
May 16, 1988

New United Motor Mfg., Inc.
45500 Fremont Blvd.
Fremont, CA 94638
January 1, 1988

Nissan Motor Mfg. Corp.
Nissan Drive
Smyrna, TN 37167
June 1, 1988

Novi Manufacturing Company
25701 Seeley Road
Novi, MI 48050-2793
November 1, 1987

Obrecht Trailer Mfg. Inc.
705 East New York Street
Knox, IN 46534
August 1, 1987

Ohio Truck Equipment, Inc.
4100 Rev Drive
Cincinnati, OH 45232
December 10, 1987

Oilmen's Truck Tanks, Inc.
a Sub of Oilmens's Equip.
140 Cedar Spring Road
Spartanburg, SC 29304
April 1, 1988

Oshkosh Truck Corporation
2307 Oregon Street
Oshkosh, WI 54903
January 18, 1988

Osterlund, Inc.
711 Gibson Boulevard
Harrisburg, PA 17105
June 1, 1988

Ottawa Truck Corporation
415 East Dundee Street
Ottawa, Kansas 66067
October 1, 1987

Outboard Marine Coporation
100 Sea-Horse Drive
Waukegan, IL. 60085
January 18, 1988

Paccar, Inc. d/b/a Kenworth
Truck Co.& Peterbilt Mtr Co.
P.O. Box 1518
Bellevue, WA 98009
January 18, 1988

Pathfinder Equipment Co.
15421 E. Gale Avenue
City of Industry, CA 91745
January 1, 1988

Petroleum Equip. Supply Co.
34 Fulton St.
New Haven, CT 06512
January 1, 1988

Phoenix Mfg. Inc.
375 West Union Street
Nanticoke, PA 18634
February 21, 1988

Pioneer Heavy Duty Parts
2000 Fall River Ave./Rt. 6
Seekonk, MA 02771
August 1, 1988

P-M Equipment Sales, Inc.
114 East Oak Road
Vineland, NJ 08360
April 1, 1988

Polaris Industries
1225 North County Road
Plymouth, MN 55441
February 1, 1988

C.E. Pollard Company
13575 Auburn Avenue
Detroit, MI 48223
November 1, 1987

Power Brake Svc. Equip. Co.
1022 Carnegie Avenue
Cleveland, OH 44115-2880
December 31, 1987

PSI Mobile Products, Inc.
25 Eldredge
Mt Clemens, MI 48043
July 1, 1987

Quality Coaches, Inc.
52743 Stephen Place
Elkhart, IN 46514
January 1, 1988

Quality Manufacturing, Inc.
1420 Nimitz Avenue
Talladega, AL 35160
April 1, 1988

Recreatives Indus., Inc.
60 Depot Street
Buffalo, NY 14206
July 13, 1988

Reliable Spring Co., Inc.
19622 - 97th Avenue
Mokena, IL 60448
August 1, 1987

Roadmaster, Div. of Monaco Coach Corp.
325 East First St.
Junction City, OR 97448
January 1, 1988

R/S Truck Body Co., Inc.
P.O. Box 420
Allen, KY 41601
September 23, 1987

Ryder Truck Rental, Inc.
4709 West 96th Street
Indianapolis, IN 46268
January 1, 1988

Schien Body and Equip. Co.
Box 229
Carlinville, IL 62626
August 1, 1988

Scientific Brake & Equip.
314 W. Genesee Avenue
Saginaw, MI 48602
January 10, 1988

Shelby Automobiles, Inc.
12444 E. Putnam Street
Whittier, CA 90602
June 1, 1988

Shuttlecraft USA, Inc.
2803 Murray Road
Estherville, IA 51334
February 1, 1988

Skillcraft Industries, Inc.
355 Center Ct.
Venice, FL 33595
September 1, 1987

Somerset Welding & Steel
733 S. Center Avenue
Somerset, PA 15501-0735
January 1, 1988

Southern Truck Equip. Inc.
4444 East Tennessee
Tuscon, AZ 85714
May 15, 1988

Superior Coaches, Div. of
NEOAX Inc.
600 East Wayne Street
Lima, OH 45802
September 1, 1987

Supreme-Jannell Corporation
840 Cumberland Hill Rd.
Woonsocket, RI 02895
January 1, 1988

Taylor-Dunn Mfg. Co.
2114 West Ball Road
Anaheim, CA 92804
October 3, 1987

The Flxible Corporation
970 Pittsburgh Drive
Delaware, OH 43015
October 31, 1987

The Ness Company, Inc.
270 N. Zarfoss Drive
York, PA 17405
January 1, 1988

The New Avanti Motor Corp.
1250 Albert Street
Youngstown, OH 44505
April 1, 1988

The Truck Engineering Co.
4401 Bluffton Road
Fort Wayne, IN 46809
August 1, 1987

Thiele, Inc.
Rt. 56 at Spruce St.
Windber, PA 15963
June 16, 1987

Thomas Built Buses, Inc.
1408 Courtesy Road
High Point, NC 27261
March 1, 1988

Toyota Motor Mfg. U.S.A.
1001 Cherry Blossom Way
Georgetown, KY 403$_7$
July 31, 1988

Tracey Road Equipment, Inc.
Manlius Center Road
East Syracuse, NY 13057
February 19, 1988

Transport Equipment Co.
3400 Sixth Ave. South
Seattle, WA 98124
January 18, 1988

Travel Craft Industries,
1135 Kent Street
Elkhart, IN 46514
January 1, 1988

Truck Parts & Equipment Co.
2120 Southwest Blvd.
Tulsa, OK 74107
October 1, 1987

Truck Parts & Equip., Inc.
4501 W. Esthner
Wichita, KS 67209
December 11, 1987

Truck & Trailer Equip. Co.
4214 West Mt. Hope Road
Lansing, MI 48917
August 1, 1988

Trotter Equipment, Inc.
Outer Washington St. Road
Watertown, NY 13601
March 1, 1988

T & T Sales, Inc.
409-411 Old Niskayuna Rd.
Latham, NY 12110
April 1, 1988

U-Haul International, Inc.
2727 North Central Avenue
Phoenix, AZ 85036
March 14, 1988

Unicell Body Co., Inc.
571 Howard St.
Buffalo, NY 14240
January 1, 1988

Union City Body Co., Inc.
350 W. Deerfield Rd.
Union City, IN 47390
September 1, 1987

Unit Rig & Equip. Co.
5400 S. 49th West Avenue
Tulsa, OK 74107
January 1, 1988

USA Motor Corporation
1718 West Bike Street
Bremen, IN 46506
January 1, 1988

U.S. Truck Body Co., Inc.
445 Northern Boulevard
Great Neck, NY 11021
January 1, 1988

Utilimaster Corporation
65266 State Road
Wakarusa, IN 46573
January 1, 1988

Valley Truck & Equip. Co.
9776 Trevett Road
Boston, NY 14025
October 1, 1987

Van Con Inc.
123 Williams Street
Middlesex, NJ 08846
September 1, 1987

Viking-Cives, Inc.
P.O. Box 218
Harrisville, NY 13648
February 15, 1988

Vixen Motor Company
#1 Silverdome Indus Park
Pontiac, MI 48057
February 15, 1988

VME Americas Inc.
23001 Euclid Avenue
Cleveland, OH 44117-8017
January 16, 1988

Volkswagen of America, Inc.
P.O. Box 3951
Troy, MI 48007-3951
October 11, 1987

Walter Truck Corporation
Northeastern Indus Park
Guilderland Cntr, NY 12085
January 1, 1988

Water Services of America
8165 W. Tower Ave.
Milwaukee, WI 53223
January 1, 1988

Wayne Corporation
Industries Road
Richmond, IN 47375
January 26, 1988

W.F. Mickey Body Co., Inc.
1505 Bethel Drive
High Point, NC 27261
September 24, 1987

Winnebago Industries, Inc.
P.O. Box 152
Junction of Highways 9 & 69
Forest City, IA 50436
March 19, 1988

C. N. Wood Co., Inc.
326 Commercial St.
Malden, MA 02148
July 1, 1987

Wyman's Meter & Tank
Equipment Co., Inc.
P.O. Box 541
Montpelier, VT 05602
July 1, 1987

APPENDIX F

COMPANIES OPERATING UNDER THE MOTOR VEHICLES TARIFF ORDER 1988

Name and Location	Considered as Manufacturer of:
AMI Stego Limited	Specified Commercial Vehicles
Almac Industries Ltd. Pointe Aux Trembles, Quebec	Specified Commercial Vehicles
Amertek Inc. Woodstock, Ontario	Specified Commercial Vehicles
B.K. & B. Truck Bodies Limited	Specified Commercial Vehicles
Babcock Motor Bodies Limited Toronto, Ontario	Specified Commercial Vehicles
Back Motor Bodies Ltd. Toronto, Ontario	Specified Commercial Vehicles
Canadian Blue Bird Coach Ltd Brantford, Ontario	Buses
Chrysler Canada Ltd. Ontario	Automobiles, Buses and Windsor, Specified Commercial Vehicles
Collins Manufacturing Co. Ltd. Burnaby, British Columbia	Specified Commercial Vehicles
Diesel Equipment Limited Toronto, Ontario	Specified Commercial Vehicles
Eastern Steel Products/Frink Canada, Division of Compro Ltd. Cambridge (Preston), Ontario	Specified Commercial Vehicles
Edmonton Truck Body Ltd. Edmonton, Alberta	Specified Commercial Vehicles
Elcombe Engineering Ltd.	Specified Commercial Vehicles
F.W.D. Corporation	Specified Commercial Vehicles
Fawcett Van & Stake Ltd.	Specified Commercial Vehicles
Fleet Truck Bodies Montreal, Quebec	Specified Commercial Vehicles

Ford Motor Company of Canada Ltd. Oakville, Ontario	Automobiles, Buses and Specified Commercial Vehicles
Forman Tank & Welding, Ltd. St. Mary's, Ontario	Specified Commercial Vehicles
Fort Garry Industries Ltd. Winnipeg, Manitoba	Specified Commercial Vehicles
Freightliner of Canada Ltd. Burnaby, British Columbia	Specified Commercial Vehicles
G. & G. Welding St. Leonard, Quebec	Specified Commercial Vehicles
G.R. Patsone Ltd.	Specified Commercial Vehicles
General Motors of Canada Ltd. Oshawa, Ontario	Automobiles, Buses and Specified Commercial Vehicles
H.E. Brown Supply Co. North Bay, Ontario	Specified Commercial Vehicles
Hutchinson Industries Downsview, Ontario	Specified Commercial Vehicles
Ideal Body Limited Quebec, Quebec	Specified Commercial Vehicles
Kaiser Jeep of Canada Limited	Specified Commercial Vehicles
Mond Industries Limited Toronto, Ontario	Specified Commmercial Vehicles
Motor Coach Industries Limited Winnipeg, Manitoba	Buses
Multi-Vans Inc. Bolton, Ontario	Specified Commercial Vehicles
Navistar International Corp., Canada Hamilton, Ontario	Specified Commercial Vehicles and Buses
New Flyer Industries Limited Ottawa, Ontario	Buses
Paccar Canada Ltd. (M) Ottawa, Ontario	Specified Commercial Vehicles

Phil Larochelle Equipment Inc. Quebec, Quebec	Specified Commercial Vehicles
Pitman Manufacturing Co. Inc. Markham, Ontario	Specified Commercial Vehicles
Prevost Car Inc. Ste. Claire Dorchester, Quebec	Buses
Reliance Truck and Equipment Surrey, British Columbia	Specified Commercial Vehicles
Soudure G. & G. Ltee	Specified Commercial Vehicles
Swarz Motor Bodies Limited Toronto, Ontario	Specified Commercial Vehicles
The Electric & Gas Welding Co. Ltd.	Specified Commercial Vehicles
Thomas Built Buses of Canada Ltd. Woodstock, Ontario	Buses
Trailmobile Group of Co. Ltd. Brantford, Ontario	Specified Commercial Vehicles
Universal Sales Limited Saint John, New Brunswick	Specified Commercial Vehicles
Volvo Canada Ltd. Toronto, Ontario	Automobiles
W.H. Olsen Manufacturing Co. Ltd.	Specified Commercial Vehicles
Walinga Body & Coach Limited Guelph, Ontario	Specified Commercial Vehicles
Welles Corporation Limited (M) Windsor, Ontario	Buses and Specified Commercial Vehicles
Wilson Motor Bodies Ltd.	Specified Commercial Vehicles
Wilson's Truck Body Shop Ltd.	Specified Commercial Vehicles

COMPANIES OPERATING UNDER INDIVIDUAL SPECIAL ORDERS-IN-COUNCIL GRANTING SIMILAR BENEFITS PROVIDED IN MVTO.

Advance Engineering Products Ltd. Regina, Saskatchewan	Specified Commercial Vehicles
Alforge Metals Corporation Ltd.	Specified Commercial Vehicles
Atlas 2,000 Inc.	Specified Commercial Vehicles
Bombardier Inc., Logistic Equipment Division Valcourt, Quebec	Specified Commercial Vehicles and Automobiles
Capital Disposal Equipment Inc. Rexdale, Ontario	Specified Commercial Vehicles
Capital Truck Bodies Ottawa, Ontario	Specified Commercial Vehicles
Care Equipment Mfg. Co. Ltd. Breslan, Ontario	Specified Commercial Vehicles
Central Truck Body Co. Ltd. Weston, Ontario	Specified Commercial Vehicles
Champion Truck Bodies Limited Montreal, Quebec	Specified Commercial Vehicles
Childs Truck Bodies Ltd. Stoney Creek, Ontario	Specified Commercial Vehicles
Commercial Vans Ltd. Brampton, Ontario	Specified Commercial Vehicles
Contran Manufacturing Ltd. London, Ontario	Specified Commercial Vehicles
Cypress Equipment Ltd.	Off-Highway Vehicles
D. & C. Roussy Industries Ltd. London, Ontario	Specified Commercial Vehicles
Dempster Systems Limited Toronto, Ontario	Specified Commercial Vehicles
Dependable Truck & Tank Repairs Ltd. Brampton, Ontario	Specified Commercial Vehicles

Dominion Truck Bodies Ltd. Mississauga, Ontario	Specified Commercial Vehicles
Dresser Canada, Inc. Mississauga, Ontario	Specified Commercial Vehicles
Eastway Tank, Pump & Meter Company Ltd. Nepean, Ontario	Specified Commercial Vehicles
Equipement Labrie Ltee Beaumont, Quebec	Specified Commercial Vehicles
F.A.D. Industries Inc. Winnipeg, Manitoba	Specified Commercial Vehicles
Fabricants Boites de Camions BEL (1986) Inc. Longueuil, Quebec	Specified Commercial Vehicles
Fanotech Industries Inc.	Specified Commercial Vehicles
General Motors of Canada Ltd. London, Ontario	Off-Highway Vehicles
George C. Doerr Body and Trailer Co. Cambridge, Ontario	Specified Commercial Vehicles
G.G. Cargo Trailer Industries Ltd. Winnipeg, Manitoba	Specified Commercial Vehicles
Girardin Corporation Cambridge, Ontario	Buses
Hal-Vey Industries Ltd. Calgary, Alberta	Specified Commercial Vehicles
IMT Cranes Canada, Ltd.	Specified Commercial Vehicles
Intercontinental Truck Body B.C. Inc. Surrey, British Columbia	Specified Commercial Vehicles
Intercontinental Truck Body Ltd. Coaldale, Alberta	Specified Commercial Vehicles
Jean-Marc Vigeant Inc.	Specified Commercial Vehicles

L. Knight & Co. Ltd. Langley, British Columbia	Specified Commercial Vehicles
Lennoxvan (1986) Inc. Lennoxville, Quebec	Specified Commercial Vehicles
Les Carrosseries Fontaine (1979) Ltee	Specified Commercial Vehicles
Les Entreprises Michel Corbeil Inc.	Buses
Mack Trucks Manufacturing Co. of Canada, Inc. Islington, Ontario	Specified Commercial Vehicles Off-Highway Vehicles
Marathon Electric Vehicles Inc. St. Leonard Montreal, Quebec	Specified Commercial Vehicles
McEwan-Tougard Industries Ltd. Bracebridge, Ontario	Specified Commercial Vehicles
Minoru Truck Bodies Ltd. Richmond, British Columbia	Specified Commercial Vehicles
Motor Coach Industries Ltd. Winnipeg, Manitoba	Buses
Navistar International Corp., Canada Hamilton, Ontario	Specified Commercial Vehicles and Buses
Ontario Bus Industries Limited Missisauga, Ontario	Buses
Ontario Fiberglass Production O/B 536794 Ont. Ltd.	Specified Commercial Vehicles
Ottawa Truck Bodies Ltee/Ltd. Ottawa, Ontario	Specified Commercial Vehicles
Paccar Canada, Ltd. Owen Sound, Ontario	Off-Highway Vehicles
Pacific Truck & Trailer Ltd. Vancouver, British Columbia	Off-Highway Vehicles
Parco-Hesse Corporation Inc. Granby, Quebec	Specified Commercial Vehicles

Peabody Myers (Canada), Division of Peabody International Canada Ltd.	Specified Commercial Vehicles
Phil Larochelle (1977) Quebec, Quebec	Specified Commercial Vehicles
PK Welding & Fabricators Limited Oshawa, Ontario	Specified Commercial Vehicles
Pollock Truck Bodies, Division of Pollock Rentals Ltd. Strathoy, Ontario	Specified Commercial Vehicles
Quebec Truck Bodies Boites de Camions Inc. Montreal, Quebec	Specified Commercial Vehicles
Raytel Equipment Ltd. Calgary, Alberta	Specified Commercial Vehicles
Rebel Steel Industries Ltd. Calgary, Alberta	Specified Commercial Vehicles
Remtec Inc. Chambly, Quebec	Specified Commercial Vehicles
Roberts Truck Equipment Ltd.	Specified Commercial Vehicles
Rubber Railway Company Ltd.	Specified Commercial Vehicles
Sentinal Vehicles Limited	Specified Commercial Vehicles
SMI Industries Canada Ltd. Ste-Foy, Quebec	
Sturdy Truck Body (1972) Limited Kitchener, Ontario	Specified Commercial Vehicles
Superior Bus Mfg. Ltd. Morris, Manitoba	Specified Commercial Vehicles
Teal Manufacturing Ltd. Windsor, Ontario	Specified Commercial Vehicles
Thermo King Western Ltd. Edmonton, Alberta	Specified Commercial Vehicles
Tipping Motor Bodies Limited Schomberg, Ontario	Specified Commercial Vehicles

Tor Truck Corporation Mississauga, Ontario	Specified Commercial Vehicles
Transit Van Bodies Inc. Laval, Quebec	Specified Commercial Vehicles
Triangle Truck Equipment Ltd. Waterloo, Ontario	Specified Commercial Vehicles
Truck Equipment & Service Co. Ltd. Agincourt, Ontario	Specified Commercial Vehicles
Unit Rig & Equipment Co. (Canada) Ltd.	Off-Highway Vehicles
Universal Carrier Manufacturing Ltd.	
Universal Handling Equipment Co. Hamilton, Ontario	Specified Commercial Vehicles
Univision Industries Limited Biggar, Saskatchewan	Specified Commercial Vehicles
Vennes Boite de Camion Inc. Shawinigan, Quebec	Specified Commercial Vehicles
VME Canada Guelph, Ontario	Off-Highway Vehicles
Vulcan Equipment Company Limited Scarborough, Ontario	Specified Commercial Vehicles
Walter Canada Inc.	
Welles Corporation Limited Windsor, Ontario	Buses and Specified Commercial Vehicles
Western Rock Bit Company Limited Calgary, Alberta	Speeified Commercial Vehicles
Western Star Trucks, Inc. Kelowna, British Columbia	Specified Commercial Vehicles
Western Utilities Equipment Co. Ltd. Winnipeg, Manitoba	Specified Commercial Vehicles
Wheels, Brakes and Equipment Ltd.	Specified Commercial Vehicles

White Motor Corporation of Canada Limited	Specified Commercial Vehicles
Wilcox Bodies Limited Mississauga, Ontario	Specified Commercial Vehicles
Wilson's Truck Bodies, a Division of L & A Machine (N.S.L. Limited) Truro, Nova Scotia	Specified Commercial Vehicles
Wiltsie Truck Bodies Ltd. Aylmer West, Ontario	Specified Commercial Vehicles